

COOPERATIVE WAGE STUDY
AND INDUSTRIAL RELATIONS

THE "COOPERATIVE WAGE STUDY"
AND INDUSTRIAL RELATIONS:
A Canadian Analysis in the
Steel Industry

By
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A Thesis
Submitted to the Faculty of Graduate Studies
in Partial Fulfilment of the Requirements
for the Degree
Master of Arts

McMaster University
August, 1961

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MASTER OF ARTS (1961)
(Political Economy)

McMASTER UNIVERSITY,
Hamilton, Ontario.

TITLE: The "Cooperative Wage Study" and Industrial Relations -
A Canadian Analysis in the Steel Industry

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NUMBER OF PAGES: v, 180

SCOPE AND CONTENTS: This thesis describes the introduction into Canada, from the United States, of the Cooperative Wage Study (CWS) - a scheme of joint union-management job evaluation for the removal of wage rate inequities in the steel industry. It is especially concerned with the impact of the CWS programme upon the structure of industrial relations in this industry, and with the aims and objectives of both the union and management regarding it. A comparison of the origins of the plan in both the U.S.A. and Canada is made and a survey of the development of the programme carried out in two basic steel plants in Ontario. An evaluation of the results is attempted in the light of the original objectives, together with an assessment of the importance of CWS as an industrial relations technique.

PREFACE

This study was carried out in the 1960-61 session at McMaster University whilst I held a Teaching Fellowship in the Department of Political Economy. I am especially indebted to Professor J. E. L. Graham who first suggested this research topic to me. I have come to appreciate the truth in the statement that when working in the social sciences "it is astonishing what foolish things one can temporarily believe if one thinks too long alone."^{*} I am consequently very grateful for Professor Graham's continued guidance and patience throughout all stages of this work.

I must also record my appreciation to all the union and management representatives who have assisted me in this study. In particular I would like to thank the following officials who willingly devoted their time to me, and to whom my frequent visits must have proved more than a nuisance: Mr. A. S. Tirrell and Mr. A. F. Edwards, Department of Industrial Engineering, United Steelworkers of America, Toronto; Mr. W. F. Lisson and Mr. H. Pomeroy, Representatives, Local 1005, United Steelworkers of America; Mr. R. E. Alden and Mr. N. H. Wilson of the Steel Company of Canada, and Mr. D. McCallum of Dominion Foundries and Steel. I hope they will not feel that their time has been wasted.

* J. M. Keynes, The General Theory of Employment Interest and Money (London: MacMillan, 1957), p. vii.

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Chapter I

INTRODUCTION

Industrial relations and labour problems in the Canadian setting represent a relatively unexplored field. One standard work on the subject, Trade Unions in Canada,¹ is primarily a volume of general reference, providing background and direction for future studies of particular unions, rather than a thorough and comprehensive examination of specific aspects of the labour scene in Canada. In this case its author, Dr. Logan, admits:

Such a treatise logically should wait upon special studies devoted to particular unions wherein the investigators would examine the technology and economics of particular industries and the whole social setting out of which develop the peculiar features of each union's life. Practically this order could scarcely have been followed for Canada. Mature students interested in and capable of assessing the economics of particular industries have not been available.²

Consequently, specific documentary material for the background to this study has been somewhat sparse. No detailed study exists on the topic of industrial relations in Canadian steel, and the economic and labour relations implications of job evaluation have been considered in only a cursory fashion for this country.³

Moreover, research problems have been magnified in that the topic under investigation, the Cooperative Wage Study (CWS), is a comparatively

¹H.A. Logan, Trade Unions in Canada (Toronto: MacMillan, 1948).

²Ibid., P.V.

³See for instance, L.G. Nicolopoulos, Formal Job Evaluation and some of Its Economic Implications (Montreal: McGill University Industrial Relations Centre, 1954).

recent innovation in union-management relations. This joint union-management job evaluation scheme for the elimination of wage rate inequities was introduced into Canada from the steel industry in the United States as recently as 1951. Its adoption by companies in the steel-fabricating part of this industry has still not been completed in Canada. A basic problem at the outset of the study, therefore, was that of locating research materials in view of the fact that published statements and reports on aspects of the CWS programme by the Canadian section of the Steelworkers' Union (U.S.W.A.) have been extremely limited and those of management, almost negligible. Thus, considerable field work was necessitated through the medium of personal interviews, attendance at union meetings and written statements requested from union and management leaders.

The ultimate aim of the research methods used in the study was, of course, to maintain objectivity and impartiality in the research. The achievement of such a goal is by no means easy in the field of industrial relations where, as Professor Hoxie once pointed out with some element of truth, "almost all evidence is partisan. From fifty to ninety-five per cent of what you get as facts in books and in the field are attempts to mislead, or pure misinformation; in any case, false".⁴ Be this as it may, it must be stressed that the degree of co-operation given by both union and management in the course of this study has been outstanding. Nevertheless, it would be idle to pretend that all union and management officials in the steel industry would necessarily concur with the views and appraisal

⁴R.F. Hoxie, Trade Unionism in the United States (New York and London: Appleton & Co., 1928), p. 389.

of the success of CWS, as here presented.

An intensive and excellent study of the origins, development and impact of the Cooperative Wage Study in the United States has been carried out recently by Dr. Stieber.⁵ This work is, however, largely concerned with the effect of CWS job evaluation upon the wage structure in the steel industry. It was felt that a counterpart study of Canadian experience of the programme might be more useful if it concentrated upon the impact of CWS on industrial relations in the industry, rather than to attempt upon a smaller scale a Canadian parallel of Stieber's work upon wage structure. Certainly, in contrast to a wealth of information which exists on the mechanical techniques of job evaluation, little attention has been given to what may be termed the "after-effects" of job evaluation upon the structure of industrial relations in a plant, or indeed to the conditions necessary for the successful implementing of a joint union-management scheme of job evaluation.

The ranking of jobs into some sort of hierarchy for the purpose of deciding what wages should be paid to each of them is the formal aim of job evaluation. It has been said that "job evaluation is a device designed to dispense equity rather than minimize costs; in principle, the purpose of job evaluation is to distribute a given wage bill 'properly' i.e. equitably but not to reduce it. (The gains to the employer are expected to be a by-product of improved employee morale rather than a lower wage bill)."⁶ But is it true that employee relations will be improved by

⁵J. Stieber, The Steel Industry Wage Structure (Cambridge: Harvard University Press, 1959).

⁶M.W. Reder, Labor in a Growing Economy, (New York: John Wiley & Sons, 1957), p. 386.

a scheme of this sort? Might there not be unforeseen resultant frictions generated between the parties by job evaluation? Will a cooperative system of job evaluation, such as CWS, lead to a further extension of the areas of mutual determination by labour and management and perhaps be a stimulant to industrial peace? These are some of the questions with which we shall be concerned in this study.

It is very doubtful whether we can accept that "monetary income is the most important phase of the employer-employee relationship".⁷ It would seem more correct to assert that a satisfactory relationship between an employee's income and the income of other persons performing the same class of work, either in the plant or in the industry, is one prerequisite of sound industrial relations. The removal of wage rate inequities⁸ through the Cooperative Wage Study could reasonably be expected, therefore, to advance the progress of more constructive industrial relations. One account of a joint union-management job evaluation at York, Pennsylvania, has concluded that "a good way to improve Union-Management relations is to tackle a problem of mutual concern by joint action. Better Union-Management

⁷R.C. Smyth and M.J. Murphy, Job Evaluation and Employee Rating (New York and London: McGraw Hill, 1946), p. 3.

⁸"Inequities" and "differentials" are sometimes used rather loosely in the literature on wage structure. However, in this study the following difference will be observed: "inequities" are differences in wage rates for comparable types of jobs for which no objective justification can be said to exist; "differentials" are differences in rates which are based upon some explicit criteria such as higher rates to compensate for greater skill or training or, even, higher rates based upon nothing more substantial than historical or traditional precedents. Compare H.G. Ross and M. Rothbaum, "Interplant Wage Inequities", Industrial and Labor Relations Review, VII (1953-54), 200.: "Interplant inequities may be defined as abnormal differences between the wage rates of comparable jobs in different plants within an appropriate group of firms in an industry or area."

relations at York Corporation were an important by-product of evaluating jobs together."⁹

However, it is no easy matter to define what is meant by "constructive", or "better" industrial relations. A modern tendency in interpreting the findings of industrial relations research has been to abandon the norm of "industrial peace" as evidence of more progressive relationships and often to chide the researchers for their emphasis upon the goals of harmony and stability.¹⁰ A typical statement of this position is that of Professor Wilbert Moore who, in discussing industrial conflict, remarks that "on the other hand peace also is costly . . . [and] industrial conflict can sometimes be viewed as preventive therapy that avoids more serious complications".¹¹

We are thus placed in the somewhat anomalous position whereby we are uncertain as to whether to condemn a particular strike for its adverse effects upon production, or to condone it in that it makes conflict overt and dramatic, and thereby easier to resolve than would be the case with latent conflict as evidenced in low morale, slowdowns and a high rate of labour turnover. However, such a paradox is not to be taken as an indication of the hopelessness of the study of industrial relations, but rather

⁹D.C. Wilson and G.T. Sichelsteil, "Joint Union-Management Job Evaluation", Personnel Journal, XXVII (April, 1949), 420.

¹⁰See for instance, F.H. Harbison and J.H. Coleman, Goals and Strategy in Collective Bargaining (New York: Harper, 1951), and A. Sturmfthal, "State Intervention in the Settlement of Interest Conflicts", Industrial Relations, XII (October 1958), 398-399.

¹¹W.E. Moore, "The Nature of Industrial Conflict", in H.D. Woods (ed.), Industrial Conflict and Dispute Settlement (Montreal: McGill University Industrial Relations Centre, 1955), p. 11.

as an acknowledgment of the complexity of such a study in which the simple hypothesis and easy fallacy must be rejected outright.

Indeed, in order to evaluate the success of a radical innovation in union-management relations, such as CWS, it is necessary to give historical depth to the enquiry in order, for example, to compare the pre- and post-change situations and to do this by an examination of the development of union-management relations in the particular plant or industry in which such innovation takes place. A new approach to an aspect of the labour-management relationship in a company does not develop in a vacuum. It is conditioned in part by the internal relationships in the company's collective bargaining process and its social structure, both what they are currently and what they have been. It has been well said that "the past is always present in labour relations. And the more bitter the past the more alive it is in men's memories".¹²

An evaluation of the magnitude of the achievement of an attempt at cooperation in the Canadian steel industry, with its history of hostility and strike proneness, will therefore differ from an assessment of a similar cooperative scheme in an industry where conflict has generally been absent.

In order to discuss the impact of CWS upon industrial relations it is necessary to have some conception of the aims of an industrial relations system in a plant or industry, and the criteria to be used in determining whether the new technique of CWS has furthered these aims. To suggest that industrial relations are "constructive" if they promote the aims of

¹²W.F. Whyte, Pattern for Industrial Peace (New York: Harper, 1951), p. 3.

a free society by promoting the dignity of the individual and the strengthening of democratic institutions¹³ would appear to be too general for purposes of inference in the case of a particular industry or plant, where the quality of relations must be judged largely in relation to the specific context in which they occur.

Further, there are some grounds for believing that to test an industrial relations structure by means of the normative concept implied in the biological analogy of "maturity" is misleading. This criterion sees industrial relations as "progressing" from an early state of belligerency, industrial warfare and union militancy, to stability and union-management peaceful co-existence in a strike-free atmosphere.¹⁴ Maturity theories of industrial relations are unsatisfactory as they imply that "good" or "constructive" relations tend to be structured into one invariable pattern; whereas it is quite possible that a sounder approach may be the pluralist one which sees "constructive" industrial relations as taking a variety of forms among different industries, even though there will be common elements in each of them.

For instance, a strike in the steel industry may be inconsistent with mature conduct, in the sense of both parties recognizing a responsibility of the industry to the community, in view of the vital importance of steel in the economy and the general industrial paralysis which could occur after a prolonged work stoppage there. It is to be noted, however, that such a strike may not necessarily represent immaturity on the part of

¹³F.H. Harbison and J.H. Coleman, op. cit., pp. 152-154.

¹⁴See R.A. Lester, As Unions Mature; An Analysis of the Evolution of American Unionism (Princeton: University Press, 1958).

the union, as might be supposed. The strike may have been forced by the reluctance of management to accept collective bargaining. Similarly, a strike in the lumber industry, if workers were faced with deplorable working conditions and low wages - and a strike which would not have the same drastic national consequences - might not be at all immature. Again, the permitting of a strike by management in this industry in order to test its strength against the union, with a view to making a sounder calculation of its tactical position in future negotiations, together with the striking of more realistic compromises, may not reflect immaturity.

However, if we reject a single maturity theory of industrial relations in favour of a pluralist approach, we are still begging some fundamental questions. In a particular plant it may be said that industrial relations are now more constructive than they were; but constructive of what? Cooperation and peace? But peace and cooperation in themselves offer no effective or decisive criterion for "good" industrial relations. "It is easy enough to point to situations in, for example, the construction industry that are eminently peaceful and co-operative but where the consuming public is exploited by collusive collaboration."¹⁵

Indeed, it would hardly be an exaggeration to suggest that the present normative criteria of sound industrial relations are to a large extent not objective criteria but rather those which management sees as conducive to its own interests. "Harmony" is desired to achieve the aims of the enterprise. "Cooperation" is elicited from the worker so that he will be more productive, more efficient, in management's interests. "As

¹⁵W.A. Koivisto, "Value, Theory, and Fact in Industrial Sociology", The American Journal of Sociology, LVIII (May, 1953), 565.

applied to industry, the notion of efficiency has more often than not been implicitly defined according to management's views and in managerial terms. Those workers will be called efficient who 'cooperate' closely with management without questioning managerial objectives and methods."¹⁶

The point here is not that cooperation defined in managerial terms is wrong per se, but that the very notions of "better", "constructive", "more cooperative" industrial relations - even "industrial peace" - contain an implicit value judgment which varies with the nature of the ultimate values held by the person making such pronouncements.

Now as Koivisto has pointed out, in such a situation "it is incumbent upon the social scientist to make clear all the values that underlie his inquiry and recommendations as well as the theory by which reality is described,"¹⁷ including his own value system. Thus no unique meaning can be attributed to "more progressive" industrial relations and it becomes necessary in a study of this nature to set out the analytical framework considered most appropriate for an evaluation of aspects of the industrial relations situation in Canadian steel.

In doing so, emphasis upon the conflicting interests of union and management in industry may nowadays be an unpopular point of departure; this, it may be said, smacks of class consciousness and ideological bias. Nevertheless, no conclusive proof exists to show that the traditional approach used in industrial relations, which considers the parties as inalienably separated by a conflict of interests on fundamental issues, is

¹⁶ R. Chartier, "Collective Bargaining and Management Rights, Industrial Relations, XV (July, 1960), 301.

¹⁷ W.A. Koivisto, op. cit., p. 564.

now outdated.¹⁸ This approach uses the concept of "two sides" in industry, with generally divergent interests between them. One of the basic labor relations dilemmas, for instance, is the conflict between the worker's goal of individual security and management's goals of efficiency and freedom in managing the enterprise, and it still remains largely true that "employees as a group are not immediately interested in company profits as such. Business management is not primarily interested in the security of its workers as such. Each group looks at a business enterprise in terms of what it gets out of it".¹⁹ This conflict approach to industrial relations has been adequately summarized in these terms:

It is said, for example, that the whole of industry now has one common objective, namely higher production, and that co-operation in achieving this objective should replace the old opposition. Now higher production is obviously a common objective, which justifies, indeed demands, a large measure of co-operation. But because two groups have one common interest, it does not follow that all their interests are identical; and between management and men there remain other conflicting interests, which this one common interest cannot wholly over-ride. These are most obvious in the sphere of wages . . . but they also emerge in other spheres, such as the question of discipline,²⁰ the role of shop-stewards, the introduction of new machinery.

If this view be accepted then it becomes evident that management in an enterprise cannot devote all its energies to the achievement of cooperation. It must also be prepared to handle conflict.

The question now arises concerning the exact criteria to be used in

¹⁸ For statements supporting this viewpoint see, for example, C. Kerr, "The Purposes and Resolution of Industrial Conflict", in W.L. Warner and N.H. Martin, (eds.), Industrial Man (New York: Harper, 1959), and E.W. Bakke, Mutual Survival: The Goals of Unions and Managements (New Haven: Yale University Labor & Management Centre, 1946).

¹⁹ F.H. Harbison and R. Dubin, Patterns of Union-Management Relations (Chicago: University Industrial Relations Center, 1947), pp. 202-203.

²⁰ C.A.R. Crosland, The Future of Socialism (London: J. Cape, 1956), p. 346.

evaluating CWS as an industrial relations technique. It will be assumed throughout this study that "industrial relations" involve both labour relations and what are termed "human relations". Labour relations are concerned with collective group relations between management and trade unions, whereas human relations involve direct relationships between management and individual workers.²¹

It is suggested, then, that the effect of CWS on the structure of industrial relations should be evaluated in terms of an overall pluralist approach, bearing in mind that the programme is used in the Canadian steel industry, and, more specifically, in so far as it promotes or retards four objectives.

From the nature of the case, CWS presupposes an existing collective bargaining relationship - by definition it is a joint union-management process. Thus, the first and most important criterion for evaluating CWS is that it should have extended and strengthened the collective bargaining process. Canadian labour legislation, which under certain conditions makes collective bargaining compulsory,²² the weight of public opinion and an expanding economy, leave no room for doubting that unions are to be a permanent institution in our society. Thus, given a collective bargaining

²¹Compare, I.C. McGivering et al., Management in Britain: A General Characterisation (Liverpool: University Press, 1960), p. 83.

²²The Industrial Relations and Disputes Investigation Act (1948) includes in its provisions that:

(a) A company must bargain with a union if the union is properly certified by the appropriate Labour Relations Board as bargaining agent for the workers, and can no longer bargain with individual employees (I.R.D.I. Act, 1948, s. 10 (a).)

(b) "Company unions", whilst legal, rarely receive official certification as they must show that they are not management controlled (I.R.D.I. Act, 1948, s. 9 (5).) See L.W. Sipheard et al., Canadian Business Administration (Toronto: McGraw Hill, 1957), p. 276.

relationship, any technique which leads to the strengthening and smoother functioning of that relationship as a two-way process of decision-making is to be welcomed. It would, however, be too much to expect that such a technique introduced in a situation where collective bargaining did not exist²³ would thereby stimulate the introduction of collective bargaining. It is just barely conceivable that employees receiving their first experience of negotiation with management as a result of CWS installation might feel persuaded to press for full union negotiating procedures. But the drastic structural change involved in moving from such a non-union situation to full collective bargaining procedures would necessitate a fundamental change in the attitudes of both employees and management.

The second criterion for evaluation is that the technique should have been voluntarily adopted by the parties themselves rather than imposed by the government. Voluntarism, as exemplified in freedom of association and collective bargaining, is part of the accepted labour relations philosophy in Canada. Indeed, where emphasis has been placed upon legislation in industrial relations - as for example in the case of industrial dispute settlement - the aims of the legislation have not always been fulfilled in practice. It has been pointed out that "Canadian legislation for almost fifty years has placed its major emphasis on compulsory intervention and restriction of unions' and employers' freedom of action as a means for settling disputes".²⁴ The difficulty has been that the emphasis

²³CWS principles are used in Dominion Foundries and Steel Limited in Hamilton which does not recognize the union. However, this is something of an anomaly in that, so far as it has been possible to ascertain, this is the only non-union company in Canada to employ CWS. (See Ch. VII.)

²⁴S. Jamieson, Industrial Relations in Canada (Toronto: MacMillan, 1957), p. 102.

given to compulsory provisions for dispute settlement may have tended to inhibit actual collective bargaining between the two sides. In the case of conciliation procedures, for example, the Industrial Disputes Investigation Act of 1907 provided for the compulsory delay of work stoppages whilst investigations into a dispute were under way. The objective of this provision was the settlement of disputes by conciliation. However, "the net effect appears to be that the parties of interest will suspend bargaining when they appear before a [conciliation] board. Indeed they seem to be inclined to suspend bargaining when it becomes reasonably certain that they shall be appearing before such a board. Compromise moves are largely delayed until after recommendations have been presented."²⁵ It thus appears well to stress voluntary accommodation in relations in Canada in view of the increasing doubt cast upon the efficacy of government interference with respect, even, to the settlement of industrial disputes.

The first two criteria for evaluating an industrial relations technique in the Canadian context stem, therefore, from the nature, tone and practical applications of the system of industrial relations in Canada. The final two criteria, however, are developed not as a result of the particular experience provided by the workings of Canadian economic institutions, but are more generally applicable to any industrial relations system. Moreover, taken together, they relate to "welfare" considerations and imply an element of social purpose in a system of industrial relations. The function of the technique in these terms is to ensure that the participants in

²⁵H.D. Woods (ed.), Patterns of Industrial Dispute Settlement in Five Canadian Industries (Montreal: McGill University Industrial Relations Centre, 1958), p. 382.

bargaining do not reduce the aggregate welfare of the community as "it is patent that the terms of employment in the great industries affect the economic position of all of us at a variety of levels - as sellers of labour, rentiers, tax-payers, consumers."²⁶

The third criterion is that both parties should be able to demonstrate specific gains from any such jointly developed technique. A wholesale pooling and community of separate interests in union-management relations cannot be anticipated, but from a specifically "joint" plan it seems reasonable to expect that both sides will gain, and that in at least this area in which it operates there will be a notable reduction of conflict, possibly to the community's benefit. Again, it seems reasonable to expect that such industrial relations technique, whilst benefitting both parties, will not harm the public interest. This is a more ambitious objective and aims to integrate, if possible, the joint interest of the parties in this one area with the interests of the community at large, thereby precluding the possibility that accommodation between the parties may be so coloured by subjective considerations as to lead to collusion against the public. If the technique, besides benefitting the parties, can also be shown to be of direct or indirect benefit to the community, so much the better.

In this study, therefore, an attempt will be made to assess the importance of CWS as an industrial relations technique, having in mind the tentative framework of analysis outlined above, and taking into account the particular structure and development of labour relations in the steel industry in Canada. The question will then be raised as to

²⁶G. Routh, "The Structure of Collective Bargaining", The Political Quarterly, XXVII (January-March, 1956), p. 44.

whether the impact of CWS on labour relations has significantly affected the process of union-management accommodation throughout the industry as a whole.

The extension of the CWS programme from the United States into Canada will be considered, together with the reasons for its development, the differences in its administration in Canada, and the aims and expectations of both the Steelworkers Union and management regarding it. A survey of the application of CWS is then carried out in two basic steel plants in Hamilton. The study of these two plants is not sufficiently detailed to constitute "case studies" - rather the plants were selected mainly because the employees of one of them, the Steel Company of Canada²⁷, are organized by the United Steelworkers of America, whereas the other, Dominion Foundries and Steel, remains unorganized by the union. It is thus hoped to throw light on any differences and difficulties which may occur when a job evaluation programme which was conceived, developed and administered with active union participation is arbitrarily transferred to a company which does not recognize the union.

The whole study is, then, empirical in that it involves direct investigation of a phenomenon, and attempts a broad survey of the development and administration of CWS in Canada. The criticism might be raised that this study is extensive rather than intensive and, in consequence, lacks the depth of analysis associated with a "case-study" of one particular plant. However, it was felt that in view of our present lack of

²⁷The account of CWS at Stelco has benefitted greatly from the background material describing the growth of industrial relations there in a recently published work, W. Kilbourn, The Elements Combined: A History of the Steel Company of Canada (Toronto and Vancouver: Clarke & Irwin, 1960).

knowledge of CWS in the Canadian context a "case-study" approach would be premature. An analysis of the origins, intentions and mode of administration of the programme ~~was~~ considered a research priority.

However, as well as attempting to increase our basic knowledge of one of the practical and widespread techniques of union-management accommodation in Canada, this study aims also to touch upon some of the theoretical issues involved in contemporary industrial relations. Is it a fact, as is often asserted, that unions and their members are always more concerned about relative and differential rates of pay than absolute amounts? Or again, what are some of the underlying factors which give rise to an area of union-management cooperation, and can we be really confident that joint job evaluation represents a progressive step in industrial relations?

However, as it was shown earlier, there exists a lack of integration between empirical investigation and theoretical development in industrial relations coupled with an over-emphasis on the polar types of relations as evidenced in turbulent conflict or spectacular cooperation. Such absence of integration often leads to a chaotic lack of system in the research project in that there is no clearly defined theoretical framework of analysis. "Facts have outrun ideas. Integrating theory has lagged far behind expanding experience. The many worlds of industrial relations have been changing more rapidly than the ideas to interpret, to explain, and to relate them."²⁸

The justification for a study of this kind concerning one aspect of industrial relations in steel is twofold. We are considering, in part,

²⁸J.T. Dunlop, Industrial Relations Systems (New York: Holt & Co., 1958), p. vi.

the workings of the Canadian section of the United Steelworkers of America which is generally recognised as being the largest and most powerful industrial union in Canada, and concerning which little systematic knowledge exists. Moreover, if we are at all concerned with the losses alleged to be suffered from industrial conflict, or in the potential gains said to be had from industrial peace, then relations in the steel industry demand attention. In this respect, the results of a recent international survey of steel strikes have significance for Canadian policy in industrial relations. They show from an examination of countries as diverse in industrial structure and labour organization as Britain, Sweden, Japan, Canada, Australia, France, Luxembourg and Germany, that strike experience, in terms of magnitude and average duration, appears to rank highest in Canada.²⁹

The limitation of the study is that it is more exploratory than conclusive and is likely to pose more questions than it answers.

²⁹Reported in A.J. Siegel, "Steel Strikes and Bargaining Abroad", Monthly Labor Review, LXXXIV (February, 1961), 123.

Chapter II

THE DEVELOPMENT OF CWS IN THE UNITED STATES¹

The Cooperative Wage Study was originally initiated in an attempt to find a solution which would prove acceptable, to both management and labour, of an essentially practical problem confronting the steel industry. This was the problem of dissatisfactions which had arisen because of wage inequities, both within a particular plant, and as between different plants throughout the industry. Thus, the study was developed in response to the particular needs of the steel industry. There was no question of arbitrarily imposing some standard job evaluation scheme already in use in other industries as the job evaluation manual eventually adopted in steel had been "tailor-made" to suit the industry from the outset of the programme. Moreover, an unusual feature of the achievement of wage rationalization in this industry was that it stemmed from a joint endeavour on the part of both the union and the steel companies to end wage inequities. Both parties had come to realize that inequities had to be tackled and that both stood to gain from their elimination.

How did these wage discrepancies, or inequities, arise in the steel industry? Certainly, the problem has been one of long standing in many industries and in steel it was a source of continuing dispute for many years before the inauguration of the CWS programme.

¹Much of the factual data presented in the first part of this chapter is based upon J. Stieber, op. cit., pp. 3-40.

However, it probably originated when the first employer failed to satisfy each employee that his pay was fair as related to the pay for other employees, or that the performance required of him was fair as compared to the performance required of other employees. Equitable wage rates clearly involve both fair pay and fair performance. The two are inseparable. They are the bedrock of the employer-employee relationship.²

This is how a United States Steel Corporation official has expressed the origins of the inequities problem.

Thus, wage discrepancies were by no means confined solely to the steel industry. Difficulties were only to be expected in industries characterized by a complex division of labour, where job content was apt to change radically in a plant as a result of technological innovation, and where wages were fixed without any attempt at centralized coordination as between rates.

But the very structure of the steel industry aggravated such difficulties. Firstly, there were extreme differences in job content and methods of production as between different plants. There was no standardized method of ranking jobs throughout the industry and, moreover, widespread technological changes had tended to accumulate wage rate dislocations. The difficulties were magnified by the fact that incentive payment systems existed alongside hourly paid jobs in most plants, and this, in itself, sufficed to give rise to a whole host of grievances. The characteristics of wage payment were such that:

Most production employees in the steel industry work under tonnage or piece rates, but maintenance and mechanical workers are usually compensated on an hourly basis . . . The wage structure of the steel industry is a maze of individual or group tonnage, piece and hourly rates, in many cases not uniform for similar work in a

²R.C. Cooper, "The United States Steel Wage Classification Program: A Fair Day's Work for a Fair Day's Pay", address before American Management Association Personnel Conference, October 3, 1947, p. 1(mimeo.)

single plant, let alone the various mills of different companies.³

Finally, it was common practice in the steel industry for wage rates to be fixed by departmental supervisors without relation to rates of pay effective in other departments.⁴ Indeed it has been asserted that in steel,

For many years the foremen had been considered front-line autocrats with the power to hire, to assign work to, and discharge workers . . . [the worker's] whole progress in the mill and the permanence of his job depended upon retention of the foreman's goodwill.⁵

Consequently, in view of all these factors, gross wage rate discrepancies existed within the plant (intraplant) and among plants in the industry (interplant).

It is an interesting fact that although it is often said that the development of CWS represents a landmark in union-management relations, the Steelworkers Union itself had been officially recognized by the Steel Companies as the bargaining agent for labour for less than ten years before the joint acceptance of the CWS programme. Stieber has aptly commented that "the steel industry inequities program represents the mature product of a relatively young and immature collective bargaining relationship."⁶

It is well known that the steel industry was for long notorious as an anti-union stronghold. The attitude of the companies was characterized by paternalism towards their employees and an often violent opposition towards any suggestion of collective bargaining, manifested in "yellow-dog"

³F.H. Harbison, "Steel", in H.A. Millis (ed.), How Collective Bargaining Works (New York: Twentieth Century Fund, 1942), p. 551.

⁴L.G. Reynolds and C.H. Taft, The Evolution of Wage Structure (New Haven: Yale University Press, 1956), pp. 45-46.

⁵W.H. Carpenter, Case Studies in Collective Bargaining, (New York: Prentice Hall, 1953), p. 27.

⁶J. Stieber, op. cit., p. xvii.

contracts and similar devices. Unbridled managerial authority was the rule in steel. The efforts to maintain managerial prerogatives in the face of attempts at unionisation are graphically illustrated in the famous Aliquippa struggle. In 1934⁷ Aliquippa was a one hundred per cent steel company town and company control of workers' lives was almost complete. The union sent an organizer into the town:

He set up headquarters . . . and the company went to work on him. Union men were shadowed, beaten, and discharged. Contact men were arrested, and their union cards were taken away from them. Meetings were spied on, and members of the audience were warned or fired. But the union continued to grow. Then a funny thing happened. Rumors began to circulate that union men in Aliquippa were disappearing overnight, the way they do in Germany and Russia.

Such was the atmosphere of bitterness and mutual distrust that pervaded the steel industry at this time.

After repeated and decisive failures to bring management to its knees in the steel industry organized labour (in this case the CIO) set up in 1936 a new organization called the Steelworkers Organizing Committee (SWOC), under the leadership of Phillip Murray. This was the embryo organization that was later to become the United Steelworkers of America. In 1937 the SWOC was unexpectedly recognized by the United States Steel Corporation as the collective bargaining representative for employees who were members of the union. However, some other important steel producers, the "Little Steel" group (Bethlehem, Republic, National, Armco Steel, etc.), held out against union organization for several years more until 1941.

From the very first contract negotiated between United States Steel and SWOC the problem of wage rate inequities was recognized, but the

⁷This example is taken from R.R.R. Brooks, As Steel Goes, (New Haven: Yale University Press, 1940), pp. 110-124.

solution suggested appeared vague and somewhat half hearted:

1937 Agreement, Section 11 - Individual Wage Rates. Where alleged inequalities in wage rates prevail, the matter may be taken up for local plant adjustment, and settlement made on a mutually satisfactory basis.⁸

Indeed it has been suggested⁹ that although a uniform wage scale in the basic steel industry was one of the professed objectives of union policy, the union leaders were little concerned about wage discrepancies at this period. Rather, the grievances about inequities were exploited as a weapon of union organization by which to induce non-members to join the union, which would then represent them in grievance cases. Thus a bona-fide attempt to eliminate inequities to promote the union slogan of "equal pay for equal work" was of a secondary importance. At the time of the advent of the union in 1936 the principal factors in the wage rate situation were:

A body of specific rates emerging from differing backgrounds in various localities; a new union striving for position; employees possessed of a new device by which to explore real or imaginary wage rate grievances; no fixed wage scales in the agreements; a specified right to challenge the equity of any particular rate; no agreed yardstick by which to judge the equity of a rate once challenged; and no terminal point for the settlement of such differences.¹⁰

Consequently grievances about wage inequities multiplied enormously in so favorable a setting until the issue became a major controversy during the period of the first agreement and comprised about two-thirds of all grievances, slowdowns, work stoppages, strikes and collateral controversies. In consequence, the union was now compelled to reappraise its attitude

⁸J. Stieber, op. cit., p. 4.

⁹L.G. Reynolds and C.H. Taft, op. cit., p. 47.

¹⁰R.C. Cooper, op. cit., p. 2.

towards wage inequities as a result of the ever increasing load of grievances which it had to handle without any agreed principles of settlement.

The 1941 agreement between United States Steel and the union expressly provided for the use of job evaluation and industrial engineering methods by management in setting the wage rate for new jobs or those in which job content had been substantially changed. However, trade unions have been traditionally opposed to any wage payment schemes based on job evaluation. Their strong and unequivocal opposition has been expressed by a union leader in these terms: "Employers just do not hire expensive engineers to design wage systems that result in more money for their employees . . . The real worth of an employee to his employer cannot be determined by measuring the par requirements of his job."¹¹

A concise summary of union objections to job evaluation appeared in 1947 in the American Federationist, the official publication of the American Federation of Labor. Three main criticisms were that:

- (1) Job Content, on which job evaluation is based, is not a sufficient measure of what a job is worth; other factors may deserve equal or even greater consideration.
- (2) Job evaluation attempts a mechanical substitute for human judgment. The A.F.L. believed that the aim should be to make judgment more systematic and more responsible, not more mechanical.
- (3) Much of the complicated job evaluation technique is just hocus-pocus which prevents workers from understanding the pay system under which

¹¹Quoted in Sar. A. Levitan, "Union Attitudes toward Job Evaluation and Ingrade Progression", Industrial and Labor Relations Review, IV (1950-51), 272. See also, W. Gomberg, A Labor Union Manual on Job Evaluation (Chicago: Labor Education Division, Roosevelt College, 1947).

they work.¹²

Such attitudes as these largely explain the "traditional" fear and hostility towards job evaluation by trade unionists.

It would appear, however, that the Steelworkers Union, whilst accepting such reservations concerning the job evaluation procedure and still by no means enthusiastic about it, had by this time come to appreciate the need for some systematic way of handling inequity grievances. It is true that "there was a body of union opinion . . . which held that some formal classification system was inevitable and not wholly undesirable if the union was ever to work out a solution to the inequities problem in steel."¹³ This realization that job evaluation was inevitable in the long run had persuaded union officials that participation in the scheme would be preferable to allowing management to draw up a programme unilaterally.

It was the 1942 contract which established the first mutual attempt by the union and U.S. Steel to study and eliminate wage rate inequities. It set up a commission of fourteen, with equal representation by management and the union. The terms of reference of the commission were to agree upon a formula for determining the existence of inequities and to develop a plan for establishing an equitable wage rate structure within the company. Similar joint commissions were established in a number of other important steel companies including Republic, Youngstown Sheet and Tube and Allegheny-Ludlum.

It soon became apparent, however, that the views of the companies

¹²See the three articles, "Job Evaluation: What It Is and How It Works", American Federationist (July, August, September, 1947.)

¹³J. Stieber, op. cit., p. 67.

and the union diverged sharply on the exact nature of a programme to eliminate inequities. In particular, the companies aimed at a wage rationalization scheme which would involve no increase in costs. Wage rate increases it was hoped, would just be balanced by wage rate reductions. But such a "balanced payroll principle" was not acceptable to the union which felt that it could not permit any revision of rates in a downward direction. Equally significant was a difference between the parties regarding the scope of the programme. The steel companies' primary interest was the elimination of intraplant inequities, whereas to the union the correction of wage discrepancies within a particular plant was merely incidental to the larger objective of equal pay for similar work throughout the entire steel industry. On these two points deadlock ensued between the two sides and consequently the joint commissions were abandoned.

The failure of this attempt to solve the inequities problem resulted in the steel companies undertaking a reappraisal of their existing job evaluation schemes. The negotiations with the union had been undertaken on the basis of the current job evaluation manual in use at U.S. Steel and many of its inadequacies were repeatedly emphasized by the union in the ensuing discussions. It was felt that the union would never be prepared to accept a rationalization programme modelled upon that particular manual. A new approach to the handling of inequities seemed indicated. Therefore a group of major steel companies joined together to set up an informal, voluntary research organization to explore all aspects of the problem and to suggest a constructive solution. This was the Cooperative Wage Study consisting of twelve charter members¹⁴ and established in Pittsburgh

¹⁴Of the major steel producers in the United States only Bethlehem

at the end of 1943. The specific objectives of the CWS were "to determine the wage rate situation in the companies; determine what it should be; and determine ways and means by which to bring about such corrections as were found to be necessary."¹⁵ Each of the member companies seconded a full-time industrial engineer to work with the organization and the American Associated Consultants Inc., of New York, was retained to provide facilities and to supply technical consulting advice.

However, during the period in which the CWS commenced its work the matter of inequities had developed into a crucial issue throughout the whole of the steel industry. Inequity claims and grievances accumulated so rapidly that they came to present the biggest single problem confronting the companies and the union in their every-day relationships. It has been estimated by an official of U.S. Steel that, in his company, wage matters accounted for 65 per cent of all grievances, and that alleged wage inequities caused 75 per cent of these grievances and 50 per cent of all work stoppages.¹⁶

Moreover, under the existing steel contracts these grievances were not subject to arbitration and they were therefore passed on to the War Labor Board for consideration. After a number of work stoppages brought about by wage disputes the War Labor Board assumed jurisdiction in all disputes between the steel companies and the union where conciliation

Steel did not immediately participate in the study. However, within two years this company had become a member of CWS.

¹⁵R.C. Cooper, op. cit., p. 3.

¹⁶Statement by E.E. Moore, Vice-President of Industrial Relations, Carnegie-Illinois (a subsidiary of U.S. Steel); quoted in J. Stieber, op. cit., p. 11.

appeared to be of no avail. Hearings were held before the Board in which the union pressed its case for a general wage increase and for "equal pay for similar work throughout the industry", and the companies presented arguments to refute the union's case.

In November 1944 the Board issued a directive order applying to eighty-six basic steel companies. It was this order which broke the impasse and provided the impetus that led eventually to the establishment of both job classification and a standard wage schedule throughout the industry.

The solution of wage inequities was to be accomplished through further union-management negotiations and a simplified job classification and a standard rate structure were to be developed within each plant. The union's claim for industry-wide uniformity of wage rates was rejected outright, but the union was given some scope for leverage on this issue. One of the "guideposts" set out by the Board to facilitate collective bargaining on the problem had stated that, as an aid in determining the correct relationship between the jobs in any one plant, the parties may take into account the wage relationships existing in comparable plants in the industry.

It is interesting to note that whilst the Board's directive involving the orderly procedure of job classification in order to eliminate inequities was quite consistent with job evaluation there was certainly no insistence upon the use of any such technique. The parties were not ordered to develop a joint job evaluation programme. In view of the union's suspicion of industrial engineering techniques the Board did not suppose that a thorough job evaluation was even a practical possibility.

At the same time as the hearings before the War Labor Board were taking place the major steel companies were independently evolving a method for classifying wage discrepancies through the medium of the Cooperative Wage Study. Thus, at the end of 1944 the companies participating in CWS had arrived at procedures for the determination of wage rate inequities which were quite consistent with the Directive Order issued by the Board at that time. The result was that after the issue of the Directive Order applying to 86 companies, the 12 charter members of the CWS invited the other 74 companies to join them. Many accepted and as of January 1, 1960, the Cooperative Wage Bureau, as it is now called, has 69 member companies, representing a total manpower of over 525,000.¹⁷

For the subsequent negotiations on inequities the union set up a negotiating committee to match the corresponding committee on the management side in each of the companies. However, particular interest settled on the joint union-management committee in U.S. Steel because this corporation was putting forward as a basis for negotiation the tentative plan worked out by the CWS. It was agreed in U.S. Steel that management would prepare descriptions for key jobs and submit them to the union for review. In this way descriptions of over a hundred benchmark jobs were approved without difficulty. The Company then proposed the acceptance of the manual developed by the Cooperative Wage Study as a means of classifying jobs. After some deliberation the union accepted the company's suggestion with the proviso that before a final agreement was reached the manual would be tested in one pilot plant in the basic steel industry.

¹⁷Roster of Member Companies and Company Representatives. . .
(Pittsburgh: Cooperative Wage Bureau, revised January 1, 1960), (mimeo.)

The CWS plan was given its critical testing in a pilot plant selected for the specific reason that it contained the widest variety of steel operations and jobs of any plant in the country.¹⁸ The union appeared satisfied from this experiment that the acceptance of CWS would not require radical changes in the existing wage structure to be imposed upon steelworkers. Thereafter, through a series of agreements, it was provided that joint union-management committees in each plant would resolve grievances on job descriptions and classifications; that the standard hourly rate scale for each plant should start at no less than the existing plant minimum which would be "job-class I", and progress upwards from that point, from job-class to job-class, in logical "increments" of cents-per-hour. Significant from the standpoint of the union was the stipulation that there would be no reduction of wage rates of present incumbents of jobs now enjoying "out-of-line" rates with the new schedule, the normal turnover of employees being used to eventually eliminate such out-of-line rates.¹⁹

It should be realized that although the new wage schedule established a systematic basis for rating and compensating jobs within each plant, initially it did not alter wage rate inequities between plants of U.S. Steel. National uniformity of wage scales was not achieved until 1947, when this company agreed to a uniform minimum rate for all its plants.

The conclusion of agreements between the union and the other major

¹⁸This was the Gary, Indiana, plant of Carnegie-Illinois.

¹⁹For technical details regarding the job evaluation procedure under CWS see Appendix A.

companies was held back until the results of the U.S. Steel negotiations were apparent. When agreement with U.S. Steel was reached however, this was the signal for rapid extension of the new standard scale throughout the basic steel industry, and companies employing about 80 per cent of all basic steel workers adopted the CWS manual and system of labour grades, with the larger companies establishing plant minimum rates either identical with, or very close to, the U.S. Steel level.

The job evaluation manual thus negotiated in 1947 has subsequently been extended to include rates for technical and clerical jobs, in addition to the original production and maintenance jobs only, but it has not changed in any major respects. No company which has adopted CWS has ever found it necessary to abandon it. A wage structure which all agreed was totally incoherent has been almost completely rationalized. Virtually all the larger companies now use the same manual of job descriptions, the same method of classifying jobs into labour grades, and the same minimum hourly rate for each grade.

The achievement of CWS evaluation has been summarized as follows:

Although this action was taken pursuant to a War Labor Board directive in 1944, it nevertheless was a milestone in the collective bargaining history between the parties. Both sides have been, for the most part, pleased with the outcome. From the union's standpoint a more orderly and systematic rate structure adds to the workers' sense of certainty and security. From the company standpoint it makes for more efficient and productive operations. On both sides there has been a feeling of accomplishment in making some progress toward working out one of the thorniest problems in the industry.²⁰

Thus, the significance of this achievement does not lie primarily in the success of industrial engineering methods but rather in the accomplishments

²⁰F.H. Harbison and R. Dubin, Patterns of Union-Management Relations (Chicago: University Industrial Relations Centre, 1947), p. 199.

of the collective bargaining process. The way in which accommodation between the parties was reached challenged the accepted methods of implementing a job evaluation programme. One observer has noted:

A good many management representatives in various industries have held the view that a job evaluation program can be properly objective only if its techniques are carried out unilaterally without union collaboration.²¹

In the case of the steel industry an equitable and durable solution to wage discrepancies was sought essentially through joint development.²²

The union was invited to share in the wage study and it accepted complete participation. It was recognized that nothing less than a final plan jointly developed and equally the responsibility of both parties would be mutually acceptable. "A maximum of union, company and employee participation was used in the over-all program."²³

Nevertheless, it should be noted that the parties' "joint participation" was not so completely mutual and all-embracing as in some of the more successful attempts at union-management cooperation to increase

²¹R. Tilove, "The Wage Rationalization Program in United States Steel", Monthly Labor Review, LXIV (1947), 971.

²²There are a few other instances of joint union-management job evaluation in the United States. See M.W. Reder, op. cit., p. 384. "However, there are a few cases in which unions have cooperated with management in establishing a system of job evaluation or classification. The most famous of these is the job classification plan jointly sponsored by the U.S. Steel Corporation and the United Steelworkers . . . Another example of joint union-management sponsorship (of job evaluation) is found in the West Coast paper and pulp industry; the New York local of the American Newspaper Guild has also participated in a job evaluation plan. The Commercial Telegraphers Union took the initiative of urging a job evaluation plan upon the Western Union Co. (which the company has adopted) in order to eliminate wage inequities among different localities".

²³V.D. Sweeney, The United Steelworkers of America, Twenty Years Later, 1936-1956, (published by the U.S.W.A.), p. 202.

productivity, for instance. In such cases it is axiomatic that the principle of mutuality relates to a situation in which there is a complete and acknowledged common interest by the parties. Joint production committees under full cooperation do not confer in the atmosphere of the bargaining table. Whereas, under CWS job evaluation the initiative in the establishment of job descriptions rested with the management: union participation being through criticism and modification, in terms of an overall review function. There still remained aspects of negotiation, (still perhaps) elements of compromise. Traditional union management dichotomy did not give way to an unreserved pooling of separate interests.

One popular text on the subject of job evaluation states that there are three degrees of union participation in such a scheme:

- (1) no participation
- (2) a review of job-evaluation findings
- (3) actual participation in obtaining the job evaluation information.²⁴

However, according to Otis and Leukart procedure No. (2) accords management an absolute prerogative in the selection of whatever job evaluation scheme it believes most suitable and it acknowledges the union's right to refuse to identify itself with, and to disclaim any responsibility for, the scheme so selected. Thus, the CWS programme will hardly fit this category as, in the United States, the steel companies were most anxious to select a system of job evaluation which the union would approve, and in Canada it was the union which pressed specifically for the CWS system of evaluation.²⁵ Likewise CWS did not quite attain the status of full

²⁴J.L. Otis and R.H. Leukart, Job Evaluation (2nd ed. New York: Prentice-Hall, 1954), p. 55.

²⁵See Chapter IV.

participation on the part of both the union and the management, procedure No. (3), as this would necessitate a "feeling of cooperation" between the parties and a pooling of separate interests. Perhaps it would be more accurate to describe the relationship between the company and the union as lying between stages (2) and (3) and being that of management's partial unilateralism bounded by close union surveillance and revision.

It is also notable that the successful establishment of CWS was dependent upon sound administrative procedures for the transforming of job classes based upon technical job evaluation into actual money wage rates. Although "job evaluation studies are directed toward the determination of a fair monetary value for each job,"²⁶ the wage structure in a plant depends not only upon the relative rates to be assigned to different jobs as established by job evaluation, but also upon the absolute wage rates. The technical process of job evaluation can determine that a particular job should be paid perhaps twice as much as the lowest paid, or base rate, job in the plant. But how is the remuneration of the base rate job itself fixed? This question is usually considered as being entirely beyond the scope of job evaluation as such, because "In practice, job evaluation assumes that the total pay roll (wages and salaries) which any company can afford to pay has already been arrived at,"²⁷ and job evaluation provides an equitable distribution of the total wage bill.

However, the CWS evaluation which placed each job in a particular job class, fixed by agreement, and yet permitted flexibility through collective bargaining on the wage to be paid for the base rate together with

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J.L. Otis and R.H. Leukart, op. cit., p. 382.

²⁷ A.S. Knowles and R.D. Thomson, Industrial Management (New York: MacMillan, 1944), p. 387.

the corresponding cents increment between job classes, succeeded in fusing relative wage determination by technical job evaluation and absolute determination by the collective bargaining process. The resulting successful application of industrial engineering techniques through collective bargaining is necessarily of special significance in any study of industrial relations in the steel industry.

Chapter III

THE BACKGROUND OF EVENTS IN CANADA

The primary iron and steel industry is one of the most important of Canada's manufacturing industries. In the past few years only the two great export industries, pulp and paper and sawmilling, have consistently outranked it in the main measures by which the relative importance of industries is judged in official statistical compilations. In 1953 the industry ranked sixth among leading manufacturing industries in terms of "value added by manufacture", with \$217 million, and it was also sixth in importance in the country in employment, with nearly 35,000 employees.¹ The industry is "primary" in the sense that its finished products, pig-iron and ferro-alloys, crude steel and steel rolling mill products, are the raw materials of a variety of other manufacturing industries.

Canada's primary iron and steel industry is dominated by four large producers - Dominion Steel and Coal Corporation (Dosco), at Sydney, Nova Scotia; Algoma Steel Corporation at Sault Ste. Marie, Ontario; The Steel Company of Canada (Stelco), and Dominion Foundries and Steel (Dofasco), both at Hamilton, Ontario. This concentration of production is indicated by the fact that these companies produce all of the pig iron, over 90% of the steel ingots and castings, and nearly 90% of the steel rolling mill products made by the industry. The importance of the four

¹Lucy Morgan, The Canadian Primary Iron and Steel Industry (Ottawa: Royal Commission on Canada's Economic Prospects, 1956), p. 4.

integrated companies is reflected also in the principal statistics of the industry by provinces. Ontario, where three of the four big plants are located, accounts for two-thirds of the employment in the industry and for over three-quarters of the gross selling value of the products.² Some idea of the relative importance of each of these four companies in the industry is conveyed by the following table:

TABLE I
CANADIAN STEEL INGOT CAPACITY, 1960
Net Tons %

STELCO	3000	41.7
ALGOMA	1600	22.2
DOSCO	1050	14.6
DOFASCO	1020	14.2
OTHERS	529	7.3
TOTAL	7199	100.0

Source: Based on Directory of Iron and Steel Works for 1960, (American Iron and Steel Institute), and quoted in W. Kilbourn, op.cit., p. 304.

The first successful attempts at unionism in Canadian Steel came about as a result of an organizational drive into Canada by the Steelworkers Organizing Committee. Prior to this, union organization on an international basis had been attempted in Canada, firstly by the Knights of Labour, and then by the Amalgamated Association of Iron, Steel and

²Ibid., pp. 2-3.

Tin Workers at Sault Ste. Marie in 1914.³ However, the success of these two organizations was severely limited, and not until the advent of the S.W.O.C. was a permanent footing gained for organized labour in Canadian Steel. Locals were organized at Sydney and Trenton by the S.W.O.C. and the steelworkers pioneered the first Canadian equivalent of the Wagner Act, in Nova Scotia.⁴ The Nova Scotia Trade Union Act specifically declared the right of employees to form and join a union, and obliged an employer to negotiate with such a union when that union had a majority of his employees. Nevertheless progress in unionizing the steel companies was slow.⁵

It was not until 1940 that the union obtained its first signed agreement with Dosco and this following recommendations by the wartime Industrial Disputes Investigation Board appointed at the request of the union to investigate points at issue between the parties. Also, although one of the earliest SWOC charters (No. 1005) had been assigned to unionists in Stelco's Hamilton Works⁶, the drive for membership in pioneering Hamilton faced such determined company opposition that it was not until April, 1944, that official certification was granted for Stelco. The mere legal existence of the union did not imply, however, that management was obliged to respect it. "The company wanted to keep the power to determine wages in their own hands as far as possible. They felt morally obliged, also, to protect the position of the large minority of employees who did not wish to have

³H.A. Logan, op. cit., p. 250.

⁴Ibid.

⁵For statistics relating to SWOC membership see H.A. Logan, op. cit., p. 619.

⁶See V.D. Sweeney^e, op. cit., p. 178.

the union act as their agent. And they saw no reason for giving any more recognition or prestige than was legally necessary to a group which had such a small proportion of paid-up members among the whole body of the company's employees."⁷

Thus, before 1940 only the Algoma Steel men had achieved a signed contract with management and only in 1944 when Stelco, "the last and greatest citadel of opposition to organized labour in basic steel,"⁸ became unionized did the United Steelworkers of America become recognized as sole bargaining agency in three of the four Canadian basic iron and steel corporations.⁹

It is perhaps interesting to contrast the history of bitterness in steel labour relations in Canada and the United States with the more peaceful atmosphere of relations in the British case. The simple hypothesis that all steel industries have an inherently high propensity to strike and conflict, sometimes said to be the resultant of the technology of the industry which necessarily attracts "tough" workers, is unacceptable. It would seem that the cultural climate of voluntarism in which the bargaining takes place, the history of early accommodation between the parties, and the power of the employer matched by that of a strong union, are mainly responsible for relations in British iron and steel being "marked by realistic compromise on both sides and a willingness to seek solutions by agreement rather than conflict".¹⁰

⁷W. Kilbourn, op. cit., p. 184.

⁸Steel Labor, (Canadian ed., Indianapolis: IX, February, 1944), 2.

⁹Dofasco still remains to this day (1961) unorganized by the union.

¹⁰W.H. Scott et al., Technical Change and Industrial Relations (Liverpool: University Press, 1956), p. 40.

Nevertheless, soon after the outbreak of war in 1939 it was felt by the government in Canada that the avoidance of industrial strife had now become essential in industries such as steel, which were vital to the war effort. However, the provisions of the Federal Industrial Disputes Investigation Act (originally established in 1907) applied at this time only to disputes arising in mines and certain public utility industries, including transportation and communication. Therefore on November 7th, 1939, the applicability of this act was extended by P.C. 3495 to include any dispute between employers and employees engaged in war work comprising munitions, supplies and defence projects. As a result, a means for adjustment of disputes in all essential war activities, including the steel industry, was established with the aim of avoiding strikes and lockouts.

It should be emphasized that the Steelworkers Union, as well as the government and the Steel Companies, appreciated the national necessity of the efficient and continuous operation of the steel industry. The Canadian Committee for Industrial Organization held a conference at Ottawa in November, 1939, at which one resolution adopted stressed the need for a maximum of cooperation between management and labour, and cooperation with the Federal Government in the "prosecution of the war and in the maintenance of fair and reasonable standards of wages and working conditions and in the avoidance of industrial strife".¹¹ This declaration by the union early in the war is interesting in view of the disputes and strikes which were later to take place.

¹¹Labour Gazette (Ottawa: King's Printer), XXXIX (1939), 1140.

It was noted in the previous chapter that the primary reason for the introduction of CWS in the United States was the ever accumulating mass of wage inequity grievances. A similar situation existed in Canada at this time. At the November conference of Steelworkers in Ottawa it was resolved that collective agreements were to include "a minimum basic labour rate of not less than 50 cents an hour", and "all occupations to be classified, with appropriate adjustment of rates".¹² The difficulties of job classification and problems of inequity grievances were equally apparent in Canada as in the United States. The existence of manifold varieties of jobs, each with its own peculiar duties, and many which are found only in the steel industry, makes any attempt at job evaluation a lengthy and complex process. Accurate comparisons and grouping of jobs by job title only are impossible. It is necessary to obtain full knowledge regarding the functions of each job and its requirements through personal observation and a thorough job description of each particular job. Moreover, the Steelworkers Union headquarters in Toronto has shown how present job classifications may soon become obsolete and misleading in the face of increasingly specialized industrial processes:

A new employee who trips a foot pedal on a comparatively inexpensive punch press is a "machine operator". A skilled and experienced roller who steers heated steel ingots through a rolling mill worth millions of dollars could also be called a "machine operator". Some "labourers" are incapacitated older employees whose only duties are to sweep up metal shavings with a push broom. Other labourers must lift and shift heavy bars.¹³

¹²Ibid.

¹³C.W.S. Job Classification (Toronto: U.S.W.A. Public Relations Department, 1952), p. 3. (Pamphlet).

It may well be the case that the inequities problem did not become a major issue in Canadian Steel until the later war and postwar periods partly because it was not until this time that there was an all-out drive for maximum production in the industry, coupled with an uneven rate of expansion and increased mechanization. "Stelco's expansion in steel ingot capacity was . . . not much larger during the war period than it had been in the prewar decade. By contract, Algoma and Dosco expanded their steel facilities enormously with government aid during the war, after little or no increase in the previous thirty years."¹⁴ Thus, the Second World War marked the beginning of an entirely new period of growth of basic steel making capacity in Canada:

More than a million tons were added to the Canadian industry in the early war years, boosting annual capacity from 2.3 to 3.6 million tons between 1940 and 1944. And since 1947 a further two million tons have been added . . . Particularly in the later period, extensive improvements have also been made to rolling facilities, with the addition of new mills and the modernization of old ones . . . At the rolling mill level, the industry has undergone what amounts to a transformation. In the process of expansion, many of the old hand-processes have been replaced by automatic equipment, and the range of products has been greatly extended.¹⁵

Such widespread changes could be expected to create new problems concerning wage rates and rate relationships, and to accumulate any existing wage rate dislocations.

However, even before the war some attention had been given to grievances concerning inequities. In an agreement in 1939 between a sheet metal manufacturer in Toronto and the SWOC there was included provision for inequity disputes in these terms: "Any alleged unfairness

¹⁴W. Kilbourn, op. cit., p. 167.

¹⁵Lucy Morgan, op. cit., pp. 9-10.

or inequalities in wage payments for similar or comparable work to be dealt with by the grievance procedure".¹⁶ Also, in the Dosco plant at Sydney, the structure of wage rates was far from acceptable to both the union and management. The Board of Conciliation and Investigation, set up in connection with a dispute concerning wage increases, remarked in its report that:

. . . the Board finds that the rate structure which has been heretofore in effect in the service shops of the plant is not altogether satisfactory. The system in vogue until recently has grown up over a long number of years under changing management. In some of these shops there are too many rates in existence. On this matter both the corporation and the union are agreed that some change is necessary.¹⁷

Finally, dissatisfaction with the wage structure led to a short strike at Algoma during the wartime period in spite of governmental regulation to prevent wartime strikes. On July 18, 1943, all labour in two mills of the Algoma Steel Corporation ceased work to enforce demands for wage adjustments to maintain differentials following the institution of a higher minimum earnings rate.¹⁸

The Canadian section of the Steelworkers Union, like its counterpart in the United States, was concerned not only with inequities within a plant, but also with those between the three main unionized plants in the basic steel industry. The employers' argument against a comparable wage scale for the whole of Canadian basic steel usually ran in terms of the geographic division of the market and that, considering the territorial extent of the country and the variation in social and economic

¹⁶ Labour Gazette, XXXIX (1939), 1180.

¹⁷ Labour Gazette, XL (1940), 664.

¹⁸ Reported in Labour Gazette, XLIII (1943), 1122.

conditions in different localities, wage scales could be determined only by local standards. This issue came to a climax in the early months of 1941 in the case of the Peck Rolling Mills, a branch of Dosco situated in Montreal.

In this case the union had pressed for a wage increase on the grounds that wage rates at Peck were much lower than those in the basic steel plants at Sydney, Trenton, Sault Ste. Marie and Hamilton. The union was thus demanding uniformity in wage scales throughout Canada. In substantiating this claim the employees filed a statement showing wage changes from 1934 to 1941 in the plants of Algoma Steel, and the Dosco plants at Trenton, Sydney and Peck, respectively (Table 2). However, the Board of Conciliation and Investigation to which the dispute had been submitted found against the union.¹⁹ There was no evidence of a wage rate level ever having been established nationally in Canadian Steel, it stated; the only national wage scale then existing in any industry in Canada was that prevailing amongst railway employees.

It should not be inferred from this that government conciliation boards were entirely unsympathetic to the union's claim for uniform wages. Earlier, in 1940, a dispute between Trenton Steel Works and the union had gone to a Conciliation Board. The union argued that as the work done by its members at Trenton was similar to that performed at the Sydney plant they should receive equal wages. The majority report of the Board agreed that this should be done when the financial position of Trenton Steel Works could make it feasible. The union's nominee on the board, Mr. Drummond Wren, was wholeheartedly with the union on this question

¹⁹See Labour Gazette, XLI (1941), 372-377.

TABLE II
 BASIC MINIMUM WAGE RATES (CENTS PER HOUR)
 IN ALGOMA AND DOSCO, 1934-1941.

<u>Year</u>	<u>Algoma</u>	<u>Dosco:</u>		
		<u>Trenton</u>	<u>Sydney</u>	<u>Peck</u>
1934	27	23	28	22.5
1935	30.33	26	35	24.75
1936	33	30	37.5	26.6
1937	37.5	33.35	40.5	28.6
1938	41.5	35	43.5	30.7
1939	41.5	35	43.5	30.7
1940	42.5) 44.5)	37.5	43.5	30.7
1941	45.5	40 (plus 2 cents bonus)	43.5 (plus 1.5 cents bonus)	30.7

Source: Labour Gazette, XLI (1941), 381.

and pressed for immediate action. He noted that "a deplorable differentiation exists between wages paid in the Sydney plant and those in the Trenton plant which is the cause of much discontent, especially as there is little difference in the cost of living in the two districts at present."²⁰ Mr. Wren suggested that Trenton revise many of its rates. But this was the minority report and his recommendations were not implemented.

Thus, during the early war years it is apparent that employees in Canadian Steel, like their fellow-workers in the United States, were dissatisfied with both the internal wage structure within a plant and with the rates prevailing as between different plants within the industry.²¹ But it is important to notice that the Canadian steelworkers union was not nearly so concerned with inequities as was the parent union in the United States. The American section of the union was using such grievances as a means of recruiting union members. In Canada the union found inequity grievances troublesome but its main concern was not with the differentials question, but with raising the base rate throughout the industry. Mr. Wren had stated that at Trenton the earnings of employees "are below those established as sufficient to provide a minimum decent standard of living as determined by the Labour Gazette, and even below the 'Pauper and Poverty' level determined by various research groups in Canada. With that statement neither the majority of the Board nor the company representatives took exception . . ."²²

²⁰ Labour Gazette, XL (1940), 906.

²¹ On this point compare S. Jamieson, "Labour Problems of an Expanding Economy", Canadian Journal of Economics and Political Science, XX (May, 1954), 141-156.

²² Labour Gazette, XL (1940), 905-906.

The Steelworkers own newspaper, Steel Labor, rarely mentions inequities within any basic steel plant during the war years. Its main interests centred upon the effort to raise the basic wage rate, and then upon eliminating the geographical differential between the union-organized steel companies. Time and again the union called attention to the "unduly low" wage structure of the entire industry. An article in its newspaper in 1941 was headed "Decent Wages - Labor's No. 1. Problem in Canada", and commented on the urgency of "the job of establishing a new and higher wage level which will provide a reasonable standard for the basic steel industry of the Dominion."²³ Wage claims at Dosco were also presented on the basis of union claims for a better minimum wage:

The demands are not based solely on the increased cost of living caused by the war. The increases are necessary also because of the low rates which provide only a bare minimum necessary for the workers to exist.²⁴

Thus, during this period a focal point in the union's strategy was emphasis upon basic rates as a priority in wage demands in order to raise minimum living standards. In the following table a comparison of the average earnings of some major industrial groupings has been constructed. Average weekly earnings, including overtime payments, for basic steelworkers are shown for 1943, the year of the Barlow Commission Report, and a time of unrest within the steel industry.²⁵ The Statistics for earnings are shown in order to illustrate the basis of the steelworkers' claims for higher minimum living standards.

²³Steel Labor, VI (October, 1941), 7.

²⁴Steel Labor, V (April, 1940), 1.

²⁵See below.

TABLE III
 PER CAPITA WEEKLY EARNINGS IN
 SOME CANADIAN INDUSTRIES, 1943.

INDUSTRIES	Per Capita Weekly Earnings, 1943 Averages (\$)
All Manufacturing	31.50
Durable Manufactured Goods	34.40
Non-Durable Manufactured Goods	27.28
Automobiles and Parts	41.27
Steel Shipbuilding*	38.73
Electric Light and Power	35.92
<u>Iron and Steel: Crude, Rolled and Forged Products</u>	<u>34.67</u>
Pulp and Paper	31.92
Lumber	26.00
Textiles	21.92
Mining	36.09
Logging	24.78

Source: Based on Average Weekly Salaries and Wages of Persons Employed in Manufacturing, Mining and Logging in 1939, and in 1942-47, (Ottawa: Dominion Bureau of Statistics, June 25, 1948.)

* The U.S.W.A. used the high wages prevailing in shipbuilding as justification for its own wage claims in basic steel (See p. 52.)

It would appear from these figures that basic steelworkers' earnings were only moderate in comparison with other "heavy" industries. They came fairly close to the national average for "Durable Manufactured Goods" and were somewhat below those in automobiles, shipbuilding and mining.

As a result of dissatisfaction with minimum wages in steel during the early war years, matters came to a head after employees at Algoma and Dosco had sought from their respective regional War Labour Boards of Ontario and Nova Scotia increases in their basic rates from 50 1/2 cents and 52 1/2 cents an hour to 55 cents. The Board refused to implement the request for 55 cents and, in consequence, a crisis threatened in Canadian Steel. On August 19, 1942, employees at Algoma took the day off work and conducted a strike vote which resulted in a majority of workers in favour of strike action. The union then recommended to the Minister of Labour that a Royal Commission be set up to investigate claims for a wage increase. The Minister, recognizing the impending danger to continuity of steel production should action not be taken, agreed to this request, and a Commission under Mr. Justice Barlow was appointed "to report as to what wage adjustments, if any, would appear justified under the wage control regulations"²⁵ at Algoma and Dosco.

The majority report of the Barlow Commission declared that there should be no change in basic wage rates, with the exception of the rates paid to maintenance men. These rates were lower than seemed justified in comparison with prevailing rates for similar types of work in other industries and the Board proposed, therefore, that management and the employees should enter into negotiations to secure increases through the Regional War Labour Board. However, the minority report of Mr. King Gordon found that, considering the hazardous nature of work in steel plants and the long working hours involved, a general increase in basic wage rates, as sought by the employees, was justified.

²⁵Labour Gazette, XLIII (1943), 54.

During the hearings of the Royal Commission, evidence was presented to show that "in the two companies under consideration there are inequities as between employees in different parts of the plant who are performing jobs of the same or substantially similar value. It is also contended that there is not a sufficient spread or differential between the different jobs."²⁶ The problems associated with inequities were thus very apparent in the Algoma and Dosco plants at this period. The majority report recommended with respect to this consideration "that arrangements be made for the making of a careful Study having in view a reclassification and an evaluation of jobs."²⁷ Here, then, was an analogous situation to that of the steel industry in the United States, where a wartime government body also implied that job evaluation would be a solution to inequity disputes. Indeed the recommendations of the Royal Commission, published early in 1943, actually precede the 1944 directive of the War Labor Board in the United States.

There is, however, one important difference between the two cases. In the United States it was generally believed that during the war years the problem of inequities was the greatest single issue in industrial relations in the steel industry. In Canada this was not so. To the union the immediate problem was the raising of the basic rate throughout the entire industry. Mr. King Gordon in his minority report had clearly stated that "as a primary cause of unrest in the steel industry in this country we find first the substandard base rate."²⁸ The Steelworkers

²⁶ Ibid., p. 59.

²⁷ Ibid., p. 60.

²⁸ Ibid., p. 65.

requests were firstly, the granting of a national basic wage rate of 55 cents an hour, secondly, that steel be named a "national industry" and so brought under the jurisdiction of the National War Labour Board, instead of remaining under Regional Boards, and only thirdly that, among other things, the problem of job classification be attempted.

The union, encouraged by Gordon's minority report, refused to accept the findings of the Royal Commission. Mr. C.H. Millard, Canadian Director of the United Steelworkers, had earlier expressed his dissatisfaction with the findings of government boards in no uncertain terms. He suggested that "the treatment accorded labour in this country can only be described as a national disgrace and if those responsible pursue the present course further we can count on national disaster."²⁹ However, the Barlow Report was well received by management officials in Canada, who believed that a steel strike would be a direct challenge to the entire wage-and-price ceiling policy of the government. The Financial Post commented that:³⁰

The Barlow report which recommended that basic wage rates at Sydney and Sault Ste. Marie be unchanged except for maintenance workers is a clear-cut legal interpretation of the present government wage ceiling policy. Under that policy there was no alternative. The minority report prepared by King Gordon, formerly a Montreal professor, long associated with left-wing movements . . . brought forth no important arguments to justify the wage increases he urged in the face of avowed and clear-cut government policy.

Another crisis occurred when workers at Algoma and Dosco finally carried their discontent into action and went on strike for a basic wage increase. According to Steel Labor, this strike stopped two thirds of

²⁹Steel Labor, VII (August, 1942), 1.

³⁰Financial Post, Toronto (January 16, 1943), p. 1.

Canadian Steel production for more than two weeks.³¹ The federal government intervened and the Prime Minister, Rt. Hon. W.L. Mackenzie King, promised the union that if the men would return to work immediately the government would pass an order-in-council fixing 55 cents an hour as a minimum rate of earnings.³² Included in the government's "Memorandum of Understanding" were provisions for the adjustment of wage rates of maintenance men, originally proposed by the Barlow Commission, together with the Royal Commission's recommendation for a job evaluation study.³³ The strike was therefore called off, and in pursuance of these objectives Mr. J.P. Nicol of the Dominion Department of Labour at Toronto was appointed as a special commissioner to bring about an adjustment between the employees and management on the issues contained in the Memorandum.

Mr. Nicol proceeded with his duties of attempting to implement the provisions of the Memorandum at the two plants, but very little progress appears to have been made regarding either increased rates for maintenance men or a joint job classification programme.

Particular difficulties had arisen at Algoma concerning the parties' interpretation of the section: "that wage rates be increased for maintenance men . . . such as will bring their wage rates on a level with

³¹ Steel Labor, VIII (January, 1943), 1.

³² For details of the complete proposals see Labour Gazette, XLIII (1943), 192-193.

³³ See Labour Gazette, ibid.

"That the management and the union maintenance men enter into negotiations . . . for such increased wage rates or range of wage rates with respect to such maintenance men as pipe fitters, steamfitters, millwrights, electricians and carpenters as will bring their wage rates on a level with prevailing wage rates paid to maintenance men in such classifications", and, "That arrangements be made for the making of a careful study having in view a reclassification and an evaluation of jobs."

prevailing wage rates paid to maintenance men in such classifications", and consequently, at Algoma's prompting, the whole issue once again came before the War Labour Board in 1943. The union **at** Algoma based its contention for wage increases on comparisons with the high rates currently prevailing in the shipbuilding industry. The company undertook comparisons with maintenance wages paid in "heavy industries" in Hamilton, Ontario. It is thus apparent that at this time the parties were far apart on the comparisons relevant in the determination of a particular wage structure. There were conflicting opinions regarding the extent and limitations of a "wage contour"³⁴ for the steel industry and the criteria by which it should be defined.

In the event, neither the company nor the union criterion was acceptable to the board, which also expressed doubts regarding the accuracy of some of the figures obtained by the company.³⁵ The Board again stressed that the best way to resolve the whole matter was by means of "a careful study having in view a reclassification and an evaluation of jobs."³⁶ Should the parties not be able to agree to undertake such a survey, then the Board would no longer rely solely upon the conciliation efforts of Mr. Nicol but would appoint a referee specially charged with undertaking such a factual study.

This anticipated disagreement between the parties at Algoma proved to be the case and Mr. W.H. Ley, an official of the National War Labour

³⁴ Compare J.T. Dunlop, "The Task of Contemporary Wage Theory", in J.T. Dunlop (ed.), The Theory of Wage Determination (London: MacMillan, 1957), pp. 17-18.

³⁵ Labour Gazette, XLIV (1944), 279.

³⁶ Ibid.

Board, was appointed referee. He noted in his report that a divergence of opinion had occurred as to what exactly constituted maintenance classifications.³⁷ Following Ley's appointment and initiation of the study at Algoma, Mr. E.B. Jolliffe, legal counsel for the United Steelworkers, sought permission of the Board to extend the area of the study to include the Dosco plant at Sydney, which was also covered by the original Barlow Commission recommendation. The union was, of course, concerned with parity of wage rates between Algoma and Dosco and believed that the need for some reclassification of maintenance wage rates at the two plants had been proved by the variety of rates then being paid in the various occupational classifications.³⁸ The Board agreed that a similar survey at Dosco should therefore be carried out at the same time as Algoma.

In accordance with the principles embodied in the "Memorandum . . .", therefore, at each plant the company and the union were each to assign a representative jointly charged with the responsibility of developing job descriptions - any divergence of opinion between them to be submitted to Mr. Ley for reconciliation. The review of the job descriptions of the maintenance occupational classifications of the two companies was

³⁷ W.H. Ley, Report Re. Classification of Wage Rates of Maintenance Employees of Algoma Steel Corporation . . ., and Dominion Steel and Coal Corporation . . ., (Unpublished, undated and typewritten) - Hereafter cited as the Ley Report. The appointment of Mr. Ley was noted in the Labour Gazette, XLV (1945), 467.

³⁸ Ley Report, p. 6. "At the Algoma Steel plant the present range involves a total of 31 individual rates in a range of from 63 1/2¢ per hour to 93¢ per hour and at Sydney a total of 35 individual rates in a range of from 59 1/2¢ to \$1.00 1/2 per hr., such a variety of rates within such narrow ranges does not appear to be reasonable and would seem to call for establishment of more general classifications and more distinctive wage grades therefor."

made for the purpose of wage rating and was carried out without consideration of the actual wage rates prevailing at the time. On the basis of the job description schedule, tentative wage rates were suggested, the same scale to be applied to the jobs appearing in the two plants. The gradings used in the Ley Report and the scale of wage rates proposed, were as follows:

TABLE IV

JOB GRADINGS AND WAGE SCALES USED IN THE LEY REPORT

	<u>Algoma</u>	<u>Dominion Steel</u>
"HS" - Highly Skilled	.90 - 1.00 per hr.	.90 - 1.00 per hr.
"JS" - Journeyman	.90 " "	.90 " "
"Sp" - Specialist	.82 1/2 " "	.82 1/2 " "
"SS" - Semi-skilled	.75 " "	.75 " "
"H" - Helper - 1st six months	.64 1/2 " "	.64 1/2 " "
- 2nd " "	.65 " "	.65 " "
- thereafter	.67 1/2 " "	.67 1/2 " "
"US" - Unskilled	.64 1/2 " "	.64 1/2 " "

Source: Ley Report, p. 5.

It is to be noted that in classifying the jobs no attempt was made to give an assessment by any method as precise as the "point rating" method of job evaluation - rather the respective jobs were rated, somewhat imprecisely, by "consideration of the work content as revealed by the job descriptions and by job to job comparisons".³⁹

³⁹Ibid., p. 4.

In the conclusion of Ley's report it was stated that it was difficult to understand why joint job evaluation had not been carried out, as originally suggested, as a cooperative effort on the part of management and employee representatives. "If this suggestion had been carried out, there would have been no occasion for the present survey to have been made as it would have been automatically covered in the process of general job evaluation."⁴⁰

It would appear that joint union-management committees for the purpose of job evaluation, as suggested by the Barlow Commission, were never voluntarily pursued for two reasons. In the first place, the union had some unsatisfactory experience of union-management cooperation at Algoma. In 1941 a cooperation plan had been inaugurated at management's prompting to reduce costs, improve efficiency and share the benefits through the collective bargaining process.⁴¹ Departmental committees were set up to explore possible measures for increased efficiency, but their effectiveness was greatly reduced as a result of the lack of participation by the workers' representatives. The fear of losing one's job as a result of increased efficiency was always present at these meetings in spite of official union support of the cooperative scheme and management's assurances that no one would suffer any financial loss as a result of the scheme. The minutes of the first meeting in one department record that after the chairman had called for suggestions one worker asked,

⁴⁰Ibid., p. 7.

⁴¹See H.J. Waisglass, A Case Study in Union Management Cooperation (University of Toronto Library, Unpublished M.A. thesis, 1948). This study is concerned with the experience of wartime joint committees at Algoma.

"I would like to know if this plan is apt to put a man out of a job?"⁴²

No suggestions were forthcoming and this was the first and last meeting held in this department. As a result of this experience the union could hardly be expected to show great enthusiasm towards the Barlow proposals. Secondly, according to Waisglass, the union was not especially interested in job evaluation as such. It seems that its lack of enthusiasm was not so much the consequence of a fear that job evaluation techniques might be used to depress wages but was rather the result of a collective sentiment among the workers, as expressed by one of their old-time leaders: "You know, one of the hardest things you can do in the world is to tell a fellow his job isn't as important as he thinks it is. That's why we haven't been pushing for that job evaluation."⁴³ Thus, the main reason why job evaluation was not voluntarily implemented at this time seems to be that the union was not interested in it and, no doubt, still retained a traditional suspicion of job evaluation techniques.

It is therefore apparent that the intervention of the government in the steel industry wage structure in the U.S. during the war was paralleled to some extent in Canada. But whereas the War Labor Board in the United States gave the impetus to job evaluation throughout the entire industry, the attempt at job evaluation at Algoma and Dosco was somewhat half-hearted and abortive. It is true that the union did make some gains as a result of Ley's recommendations. Maintenance rates at Dosco and Algoma became established on the principle of equal pay for

⁴²Ibid., p. 75.

⁴³Ibid., p. 170.

similar job classifications.

However, the methods used in the setting of wage rates were very different from those of the CWS programme, some eight years later. The wage rates finally established were not the result of collective bargaining but were "recommended" by Mr. Ley and based upon precedents established by the War Labour Board in previous cases:

For setting the rates there was a substantial background of experience that had been gathered by the War Labour Board in settling many other cases, notably the increase granted employees of steam railways in 1943, the standardization of occupations and wage rates in the steel ship-building and repairing industry through Central and Eastern Canada, in mining and smelting operations involving International Nickel, Consolidated Mining and Smelting, Hudson Bay and Noranda, airframe and engine and, automotive and many Crown and other operations concerned with munitions manufacture.⁴⁴

Moreover, it is questionable as to whether cooperation between the company and the union in job classification was carried out with any enthusiasm, or mutual satisfaction in the procedure adopted. Certainly, there were definite objections registered concerning the classification level assigned to a large number of the occupations. At Algoma management accepted the report, but the union entered exceptions to forty-nine of the classifications proposed. At Sydney the situation was reversed, the union accepting the report whereas management raised objections to the classifications assigned specific jobs.⁴⁵ Some of these classifications were later amended in further discussions of the Board with the contending parties. At Algoma the company raised a further complaint by suggesting that the adoption of the particular wage schedule recommended would

⁴⁴W.H. Ley, letter to the writer, June 22, 1961.

⁴⁵Ibid.

interfere with the whole of its existing wage structure.⁴⁶ It is apparent, therefore, that both parties had assisted in the classifications and yet neither was satisfied with the outcome.

It is notable, however, that during these wartime years union organization in steel made great advances. This was partly the result of the industry's vital importance to the war effort and consequent governmental interference, as an interested third party, in the promotion of union-management relations where unionism was the expressed wish of the employees. Union membership rose from 15,000 in 1941 to almost 50,000 by 1944.⁴⁷ In Hamilton, long noted for its non-union character,⁴⁸ the drive by the Steelworkers union had first achieved prominence in 1941 when a strike at the National Steel Car Company in the city led to the government's seizure of the plant and the naming of a Controller for it. According to the union, this event greatly expanded membership and SWOC offices were swamped with calls requesting organization into the union that "had got the government to seize the plant".⁴⁹ Also in 1943 an application for union certification at Stelco was before the Ontario Labour Court. The management at Stelco was ordered to conduct a ballot among the workers to choose between representation by the United Steelworkers or an "independent" company sponsored association. The result was a majority in favour of the Steelworkers and the union was officially certified in April, 1944. The

⁴⁶Reported in Labour Gazette, XLV (1945), 822.

⁴⁷H.A. Logan, op. cit., p. 619.

⁴⁸See Steel Labor, VI (March, 1941), 2. "It is estimated that over 50,000 persons in that city [Hamilton] are eligible for SWOC membership."

⁴⁹V.D. Sweeney, op. cit., p. 181.

union was jubilant and it boasted that "after twenty five years of company unions, eight years after the first endeavors to organize into SWOC, after years of company discrimination and open hostility to unions, Stelco has gone Steelworkers - CIO."⁵⁰ Thus the United Steelworkers was now recognized as sole bargaining agency in three of the four Canadian basic iron and steel corporations.

It is apparent from the foregoing account that developments in Canadian Steel during the war years form a background for the introduction of CWS which contained necessary conditions for the eventual stimulus and assimilation of the programme. Three factors, in particular, deserve emphasis. Firstly, the fact that in the early years of union organization in steel the problem of inequities was recognized; that the sustained high rate of steel production in the war economy, together with the accelerated rate of mechanization of some operations, would tend to heighten any existing imbalance between wage rates and to contribute to a dispersion of earnings among workers doing approximately the same kind of work in different plants. Secondly, the wartime period saw the extension of unionization and its acceptance throughout much of basic steel and thus provided the security which a union needs before it will embark upon a joint programme with management. Finally, the Algoma Steel Corporation was to be the prototype and testing ground for CWS in Canada in 1951, and the attempt at partial job evaluation at this company in 1944 provided some (limited) experience in joint job evaluation for management and the union, and a precedent for its establishment.

However, it seems doubtful whether the experience gained at Algoma

⁵⁰Steel Labor, IX (February, 1944), 2.

would, in itself, have stimulated further attempts at a joint programme of job evaluation without the particular pressures and attitudes present in 1951, when the first agreements were reached for CWS installation in a Canadian company.⁵¹ It is probably true to suggest that the most important of these preconditioning factors in helping to provide for the successful implementation of CWS as a nationwide programme in steel were the wartime accumulation and recognition of wage rate dissatisfactions, and the increasing recognition accorded to the union by management in the industry. In this latter respect most published studies of union-management cooperation emphasize that union recognition and acceptance by management is a condition - precedent of any such scheme. It was pointed out in 1941 that:

Up to the present, unions have been bitterly opposed by most employers and have had to fight for the right to exist. This struggle for existence has necessarily taken precedence over all other concerns of the unions. To the members who must fight for the right to have a union, the idea of co-operating with management has just never occurred. The employer has been an enemy who must be vigilantly watched. One did not think of co-operating with him.⁵²

⁵¹See pp. 64-67.

⁵²S.H. Slichter, Union Policies and Industrial Management (Washington D.C.: Brookings Institution, 1941), p. 562.

Chapter IV

THE INTRODUCTION OF CWS TO CANADA

By the end of World War II the United Steelworkers had secured recognition throughout most of the Canadian basic steel industry. However, it certainly did not follow that this recognition would lead to more harmonious relations within the industry. During the preceding decade "the hard times of the depression, the longer hours and the tensions and frustrations of the war years, the high hopes for a better life afterwards - these had all built up a restless impatience with labour's existing position."¹ Coupled with this was the fact that much of management in Canadian industry had tended to give but grudging acceptance to trade unions, and this only as a result of legal compulsion. Mr. H. J. Clawson, Vice President - Personnel at Stelco has frankly admitted that "most managements were thrown off balance by the impact of the militant and expanding industrial unionism of the forties. The management response to this new impact was only too often coloured by emotionalism and hostility . . . [and] we dissipated our energies in futile efforts to resist collective bargaining as such."²

The conflicting pressures on the two sides in the steel industry were projected into an open issue in July 1946 when what was nominally a wage strike, but which was more fundamentally an effort to establish

¹W. Kilbourn, op. cit., p. 184.

²H.J. Clawson, "The New Challenge of Industrial Relations", The Business Quarterly, XXIV (1959), 163.

acceptance of collective bargaining (especially at Stelco), was called against the three unionized basic steel companies. This strike developed into one of the biggest, most bitter and violent strikes in Canadian history. The union had included in its demands a uniform wage pattern for the steel industry. At this time the existing basic rate was 64 1/2 cents at Stelco and Algoma, and 59 1/2 cents at Dosco. One result of the strike was that the National War Labour Board ruled that labour rate wage differentials between Sydney and Ontario workers were to be eliminated. The union's newspaper commented that "it is the first time in the history of the steel industry that base rates in Sydney, Hamilton and Sault Ste. Marie are the same."³

It would seem, therefore, that the elimination of inequities as between the main plants in the industry, which was one of the realized objectives of CWS in the United States, was first achieved in Canada, at least in terms of the base rates, long before CWS was initiated in Ontario. Stieber has confirmed that in the U.S.A. "the decade following the introduction of the inequities program saw the virtual elimination of geographical wage differentials in the basic steel industry."⁴ It must be stressed, however, that this wage rate equality in Canada was but a temporary phenomenon. Stelco pushed ahead once more in its rate structure in March, 1948, when an overall wage increase of 11 1/2 cents an hour was granted, bringing basic minimum wages up to \$45.12 a week. "It was anticipated that the pattern set by this agreement would have an important bearing upon negotiations between the same union and the Algoma Steel Corporation . . .

³Steel Labor, XI (December, 1946), 1.

⁴J. Stieber, op. cit., p. 250.

and the Dominion Steel and Coal Corporation."⁵

At a policy conference of Canadian Steelworkers in 1947 a resolution was adopted calling for "the elimination of low wage areas in this country and the establishment of uniform wage rates throughout the steel industry."⁶ Concern about inequitable wage rates had not ended after the "big strike" and in most companies grievances over inter- and intra-plant inequities were mounting. Moreover, the Canadian steelworkers had a further cause for wage-rate complaints. It was stressed at a Steelworkers National Policy Committee in Montreal in 1951 that officials in future negotiations should adopt a double-barrelled approach to the wage question and press not only for general increases but also for "revision of rates in skilled classifications so that differentials between the rates for unskilled and highly skilled workers will more closely reflect the actual difference in terms of skill and responsibility required [as] this is a problem which is becoming acute in primary steel."⁷ Thus, a problem of great concern to the union at this time was that their skilled craftsmen and tradesmen had for some years been suffering a relative narrowing of their wage differentials and were becoming increasingly vociferous in their complaints on the matter.

This narrowing of the skill differential is largely to be explained by the union's own wartime practice of pressing for "across-the-board" wage increases in the form of cents-per-hour increases for all grades of labour, rather than of special consideration for skilled craftsmen. As

⁵Labour Gazette, XLVII (1948), 416.

⁶Reported in Steel Labor, XII (November, 1947), 1.

⁷Steel Labor, XVI (January, 1951), 3.

we have noted, the union's primary interest in these years was that of raising the base rate of their members and the achievement of this aim would have been unnecessarily complicated by bargaining on specific skilled rates. Such action on the part of a union has been observed in many similar situations. Reder notes that "it has been argued by a number of writers that union wage policy has been a factor in the secular narrowing of occupational wage differentials, especially that occurring since 1940. For example, it has been argued that the tendency of industrial unions to insist upon equal cents per hour increases for all grades of workers has been a major cause of the reduction of occupational differentials."⁸ Therefore, at this time maintenance men and skilled craftsmen were showing signs of becoming an important pressure group within the United Steelworkers.⁹

However, it was not until 1951 that positive action was taken to deal with wage inequity and differential dissatisfactions. At the Algoma Steel Corporation during 1950 some thirteen hundred maintenance workers had grieved to management, firstly about wage inequities as between similar jobs, and secondly on the question of their allegedly low differential rates as compared with production workers in the plant.¹⁰

⁸ M.W. Reder, op. cit., p. 375.

⁹ At Algoma, for instance, where CWS was first initiated, maintenance workers were one important pressure group whose militancy was felt throughout the whole of the union. Since CWS was established there the following Algoma maintenance workers have risen to become important figures in the union's hierarchy in Canada: W. Mahoney, former electrician and now the union's National Director; J. Barker, I. Campbell and E. Dalrymple, now union International Representatives; and A.F. Edwards, a former mill-wright and now Representative, Dept. of Industrial Engineering.

¹⁰ Much of the material here presented, concerning the origins of CWS in Canada and the situation at Algoma has been obtained from interviews

Probably much of the explanation regarding the militancy of the Algoma maintenance workers, apparent even in the pre-war period, lies in geographical factors. Sault Ste. Marie is geographically separated from the main industrial belt of southern Ontario and the Niagara Peninsula and is a town with few other important industries besides steel.¹¹ If maintenance workers in steel plants in Hamilton, for instance, were dissatisfied with their wage rates it was not too difficult to find similar employment elsewhere in the vicinity. Such was not the case in Sault Ste. Marie.

In response to these grievances at Algoma in 1950 the company stated that sixty days prior to the end of the contract year it was prepared to discuss with the union any alleged inequities in any department on the subject of wage rates. The union subsequently met with management to try to solve the problem, but it was discovered that once an inequity was proved and an adjustment made, new inequity grievances were thereby created. An attack on the problem on a piecemeal basis was clearly bound to fail. Consequently the company stated that no more wage adjustments would be undertaken unless the union agreed to some form of job measurement.

Another study of union-management relations at Algoma has shown that wage rate dissatisfactions and inequity claims had been a longstanding

and discussions with Mr. A.S. Tirrell, Director of the union's Industrial Engineering Department, and Mr. A.F. Edwards, now an official in this Department and originally employed as a mill-wright at Algoma, and Chairman of the CWS Job-Classification Committee there.

¹¹It was estimated in 1948 that the basic steel industry accounts for about 75% of total employment within the area. See Public Affairs, XI (1948), 236.

problem. A wartime attempt at union-management cooperation at Algoma failed to a large degree because of the union's discontent with the underlying wage structure. It was "the dissatisfactions of collective bargaining which largely made for unwillingness to participate in the cooperation plan."¹² Expressions of wage rate dissatisfactions, which were entirely illegitimate in joint meetings of this kind, came to dominate these sessions and threatened to turn them into part of the bargaining process proper. One superintendent remarked:

I remember one union-management meeting which I attended. It developed into a cat-and-dog fight over wage rates . . . a union representative kept riding his own men a bit. He couldn't see why their dissatisfaction with their rates should prevent them from giving suggestions on production.¹³

In another instance at this plant, some workers had been transferred to a new mill and thought they should have a higher rate. They complained bitterly at the next meeting that the new mill involved them in harder work under hotter conditions, and yet they were still being paid the same rate as men working on the old mill (i.e. an inequity had arisen.)¹⁴

The matter of inequity grievances at Algoma has been summarized by a management representative in these terms: "Prior to 1951 individual wage grievances had been introduced at every bargaining session. We had told the Union on many occasions that there was no proper basis for dealing with these alleged wage inequities other than some type of job evaluation program. The Union had always dismissed such suggestions without

¹²H.J. Waisglass, op. cit., p. 140.

¹³Ibid., p. 115.

¹⁴Ibid., p. 119.

any real consideration."¹⁵

In view of the growing seriousness of the problem and management's refusal to adjust further inequities in the absence of job evaluation, the union was compelled to a reappraisal of its attitude. In this process, it was now placed in a difficult position. Traditionally it had always feared job evaluation as a "management tool". Also, it possessed little detailed knowledge of the union's participation in CWS in the United States, or of the benefits thereby secured. Indeed, in the Canadian edition of Steel Labor there had been but one short reference to the actual establishment of CWS in the United States. Perhaps this lack of communication between sections of an international union regarding a highly significant development like CWS appears surprising. Dr. Logan has shown, however, that the Canadian section of the union has often gone its own way on some important issues of policy. Thus, the steelworkers have been "directed by the Canadian leaders with only infrequent contacts with the international president and officers."¹⁶

However, it must be realized that the eventual acceptance of job evaluation by the Steelworkers union was not solely the result of the stand taken by management at Algoma on the matter of inequities. Early in 1950 the Canadian section of the union had begun to take a more active interest in the accomplishments of CWS in the United States. A union committee had been sent there to inspect CWS arrangements and had been favorably impressed by the results of the programme. Consequently there

¹⁵N.M. Kensit, Superintendent of Industrial Relations at Algoma, letter to the writer, April 15, 1961.

¹⁶H.A. Logan, op. cit., p. 257.

was some internal union pressure at this time for the setting up of a similar programme in Canadian steel and, after further consultation with International headquarters, the union realized that it had nothing to fear from a cooperative job evaluation programme at Algoma.

The union then made it clear to Algoma that it was prepared to accept the company's job evaluation proposal provided that three conditions were granted:¹⁷

- (1) The development, installation and maintenance of the programme must be a cooperative effort on the part of both the company and the union.¹⁸ (Later the union pressed specifically for the CWS programme of evaluation and this was accepted by Algoma.)
- (2) The company must pay union nominees who work on the joint-development of the scheme so that union members involved should suffer no loss of earnings.
- (3) An agreement on methods and procedures for the study should be drawn up in documentary form.

These conditions proved acceptable to management and thus Algoma became the prototype for steel industry joint job evaluation throughout Canada. The 1951 contract stated that "The Company and the Union agree to enter into and implement a mutually satisfactory job evaluation program

¹⁷Information obtained from an interview with Mr. A.F. Edwards, at U.S.W.A. offices in Toronto, January 24, 1961.

¹⁸This is not the first example in Canadian industry of joint participation in job evaluation. See the case of Lever Bros., Toronto factory, in W.R. Dymond, "Union Management Cooperation at the Toronto Factory of Lever Brothers Limited", Canadian Journal of Economics and Political Science, XIII (1947), p. 36: "Job classification and evaluation is an important aspect of the union management relationship. A procedure of job evaluation has been established in which the union participates."

for the Maintenance Departments to be implemented at the earliest possible date."¹⁹

The granting of equal rights and privileges by management to a union in any aspect of the organization of a business enterprise represents an important advance (from a union viewpoint), or regression (for believers in traditional managerial prerogatives), in industrial relations philosophy. In this case it is perhaps significant that it was the Algoma company which first accepted union participation in job evaluation. According to Waisglass, top management at Algoma recognized the first independent union in the company almost as soon as it was formed in 1935 and the bitter struggle for union recognition which later erupted at Stelco, for instance, was absent here.²⁰ It is true that in spite of early union recognition at Algoma the union's wage demands in the following years were certainly not always conceded by the company. Management often accepted the justice of the union's claims, but pleaded inability to meet the demands. Nevertheless the existing character of union-management relations here may well have provided a sound background for the CWS experiment. In the early postwar years there was a "conciliatory and compromising spirit" of the local union leadership in the plant, and "Algoma did not have the violence and ill feelings which other steel plants in Canada experienced in the national steel strikes of 1943 and 1946".²¹

Following Algoma's acceptance of union participation in the job

¹⁹Labour Agreement, between Algoma Steel Corporation Ltd., and Local Union 2251, U.S.W.A., (May 1, 1951), p. 34.

²⁰H.J. Waisglass, op. cit., p. 45.

²¹Ibid., pp. 64-65.

evaluation programme, the union was then faced with the necessity of setting up a special wage inequity, or industrial engineering, department. Several union officials were therefore sent for training courses in job evaluation to the Universities of Toronto and Wisconsin, and others, including Mr. A.S. Tirrell, now Director of the Industrial Engineering Department, were seconded to international union headquarters in Pittsburgh to gain experience in job evaluation and in CWS methods.

At the commencement of the programme in Algoma two three-man committees (each with its own chairman) working full time on the study, from the union and the company respectively, were set up. Each committee had equal rights, in the sense of freedom of access to the plant for purposes of job observation and discussion of job duties with employees, and equal responsibilities for the successful completion of the programme. They were also charged with the duty of seeing that the accepted conditions under which job evaluation for the maintenance departments was to be begun were set out in documentary form. Accordingly, a Procedural Agreement was then drawn up providing for the establishment of benchmark jobs and for the granting to joint committees of free access to each job in the plant.²²

Agreement was then reached between top union and management officials as to the suitability of the chosen "benchmark" jobs. In the course of reaching this agreement the union proposed that for the "reference" jobs needed for the study the four thousand classified jobs of the CWS programme already in use in the United States should be adopted. This was agreeable to Algoma. Hence the company's acceptance of CWS procedures for

²² Agreement on Procedure for Job Classifications, between Algoma Steel Corporation Ltd., and Local Union 2251, U.S.W.A., (February 22, 1952) - typewritten.

job evaluation meant that joint committees could now begin work in the plant itself on the description and classification of maintenance jobs.

The actual administrative procedures adopted for the CWS evaluation will now be outlined. It was agreed that the management committee would submit a proposed job description and that the union committee, as in the procedure in the United States, would perform its review function of checking the description by inspecting the particular job itself, discussing the duties involved with the employee, and finally meeting with the management committee to resolve any proposed union amendments to the description.

It was recognized that a major technical difficulty arises in attempting job descriptions for maintenance departments. This concerned the lack of any regular routine in regard to the type of job performed and the conditions under which it is carried out. This meant that in describing each job some average conditions under which it is performed had to be established. Typical of this problem would be the case of a maintenance gang working in the hot steel mill one day, and outside in the yard the next.

When agreement on the particular job description had been reached by both committees, and signed by both committee chairmen, job classifications were submitted, again by the company, to the union for ratification and, if acceptable, were signed by both chairmen. If disagreement ensued on either the description or classification it was forwarded to two referees for a final decision. The union referee was Mr. P. Baskin, from the Industrial Engineering Department, and the company was represented by an engineer from the firm of Paul Edwards and Associates,

industrial consultants, which had experience of CWS installation in the United States.

After the completion of this stage of the process a new agreement was entered into with the company called the Wage Administrative Agreement, which superseded and thereby cancelled the Procedural Agreement. This provided that the base wage rate and increments between job classes were to be established through negotiation and bargaining between the company and the union and that no employee was to receive a reduction of earnings by virtue of the implementation of the scheme. It also set the date for the commencement of the programme and the procedure for the settlement of retroactive pay.²³ Following the drawing up of these two agreements, the wage rates to be paid for Job Class I, the base rate, and the increments to be paid between progressive job classes were then determined through the usual collective bargaining channels and set out in one section of the Collective Agreement.

It is now necessary to indicate briefly the important differences between the administration of CWS in Canada as compared with the United states.

Early in the development of the programme in the U.S. the parties were faced with the question of incentive payments in the industry:

Had the steel industry consisted entirely or even predominantly of nonincentive jobs, the steelworkers and the companies could have faced the problems flowing from an undertaking of this magnitude secure in the knowledge that their major task . . . had been accomplished. But the fact that some 50 per cent of all steel production and maintenance employees were paid under some type of tonnage, piecework, bonus or other incentive

²³ Wage Administrative Agreement (Maintenance Department), between Algoma Steel Corporation Ltd., and Local Union No. 2251, U.S.W.A. (November 15, 1952), typewritten.

arrangement, which yielded earnings over and above the base rates, created problems that had to be dealt with immediately after the standard hourly wage rates were established.²⁴

This particular problem regarding the "submerging" of incentives was absent in the original Algoma study, as no incentive payments existed there for maintenance workers. However, this problem did appear later in some companies when CWS classifications were extended to cover all jobs within the plant.²⁵

Several other differences are apparent between Canada and the United States in the job classification and administrative procedures adopted. From the beginning of the programme in Canada emphasis was placed upon the settlement of disputes in a company stemming from the CWS procedure by two referees, from the union and management respectively, rather than by resort to formal arbitration procedure. There was both a desire and a procedure for internal accommodation between union and management in the event of job description or classification disputes, and this was applied with great consistency throughout all steel plants in Canada using the CWS procedure. In the United States this "referee" procedure was not generally provided for in the CWS agreements. Considerable variation in dispute procedure existed. "Dispute classifications were transmitted from the plant to the union-company joint committee, where one existed. In some companies, including U.S. Steel, Republic, Jones and Laughlin . . . the agreements provided no recourse beyond the joint committee, which was supposed to "resolve" the dispute. Other

²⁴J. Stieber, op. cit., p. 175.

²⁵Compare the situation at Stelco, p. 133.

agreements, such as Bethlehem, Great Lakes, . . . included provision for arbitration in the event that the joint committee could not reach agreement."²⁶ In contrast to the American case, agreements throughout Canada between the companies and the United Steelworkers for the implementation of CWS contain clauses similar to the following:

3.02 The Company and the Union shall each designate a representative to consider referrals from the Job Classification Committees. The Union's representative shall be a representative of the International Union selected by the Department of Industrial Engineering.

4.05 If the description or classification of the job is not agreed to as originally submitted, the Committees will endeavour to agree on mutually satisfactory changes . . . If the Committees are unable to reach agreement on any job description or job classification, it shall be referred to the Company Representative and Union Representative selected . . .²⁷

It was felt by the union that the referee procedure was preferable to arbitration. Only if the two referees could not reach agreement, which was rarely the case,²⁸ was resort had to the arbitration procedure. The union reasoning was based upon the novelty of the CWS programme in Canada and the consequent difficulty of securing experienced personnel to serve as intelligent arbitrators. In the union's view it was essential for the development of a widespread CWS programme across the country that internal consistency of job descriptions and classifications should be maintained between firms. An arbitrator inexperienced in CWS job evaluation, and who might resort to a mere "splitting of the difference" between the

²⁶ Ibid., pp. 79-80.

²⁷ Procedural Agreement on Job Classifications, between The Steel Company of Canada Ltd., Canada Works, and Local Union No. 3250, U.S.W.A., (December 8, 1952) pp. 2-4.

²⁸ See, for example, the experience of Stelco on this matter, p. 125.

parties, might inadvertently sabotage the desired consistency between the various plants.

Again, the Canadian section of the union in its pressure for consistency in CWS procedure has, for example, insisted upon a "universal" principle to apply to all plants for out-of-line differentials in that "in the event of a change in the job content which results in a lower classification of that job, any employee on such a job shall receive an out-of-line differential equal to the difference between the rate for the job as classified previous to the change and the rate following the change".²⁹ In the United States, "while there was a high degree of uniformity in the agreements of companies using the CWS manual, there were also significant differences" and "wide variation is found among steel companies and even between plants of the same company in the job descriptions of occupations with the same job title and classification".³⁰ It would appear that the large number of steel plants of varying sizes, and varying degrees of independence from the domination of U.S. Steel where CWS was first installed, was chiefly responsible for this absence of complete uniformity within the industry in the U.S.A. However, in Canada it is notable that the union attempts to ensure uniformity in all aspects of the CWS programme.³¹

Probably the best generalizations that can be made of the administrative differences between CWS in Canada and the U.S.A. are that a much

²⁹ Wage Administrative Agreement (Maintenance Department), between Algoma Steel Corporation Ltd., and Local Union No. 2251, U.S.W.A., (November 15, 1952), p. 18.

³⁰ J. Stieber, op. cit., pp. 77, 126.

³¹ Some of the reasons for this are discussed in Chapter V, pp. 98-99,¹⁰¹.

tighter centralized control is kept by the Industrial Engineering Department in Canada over the autonomy of the union's local CWS committees, and that the CWS programme is administered in all its aspects with much greater consistency across Canada than in the United States. This desire for internal consistency was explicitly stated in the union's handbook for local CWS committees which explained: "This handbook . . . is to guide the work of the Committees in describing and classifying jobs; . . . and help them to maintain uniformity in the application of the C.W.S. Programme so that the results achieved will reflect the greatest possible benefits."³²

Indeed, so concerned is the Canadian union with CWS consistency and uniformity, that in one company at Milton, Ontario, where machinists had been initially classified by the company into Job Class 17, the Industrial Engineering Department at Toronto felt itself compelled to persuade the local committee that it could accept only Job Class 16, with its correspondingly lower rate of pay, for these workers. Machinists were usually placed in Job Class 16 and, in the interests of consistency, these employees at Milton did comply with the union's request, albeit not without a considerable volume of vocal protest on the part of the local.

Thus, in Canada, the testing ground for CWS was the Algoma Steel Corporation where, at first, the programme was approached perhaps somewhat cautiously and was limited to the maintenance workers in the plant. The union, however, soon began to appreciate the importance of CWS as an instrument which, among other things, was useful in securing wage increases:

³² Handbook for C.W.S. Committees, Toronto: Dept. of Industrial Engineering, U.S.W.A., (undated), p. 1. (Italics added).

 → CWS Staff Algoma

With the conclusion of negotiations on Maintenance Staff Wages at Algoma Steel, Local 2251 has scored a notable victory of both local and national significance. Locally it was significant because under the job evaluation plan now being put into effect, the 1,360 workers in the maintenance group have had retroactive wage increases over and above those they got following settlement of the contract a few weeks earlier . . . The significance of this victory for the union across Canada is that the job evaluation plan now in effect is based on the CWS Manual.³³

Union headquarters in Toronto now began to encourage other locals to adopt the programme and to press for it in their collective negotiations. Widespread publicity of CWS achievements was promoted by means of frequent reports in Steel Labor. However, it is worth noting that union headquarters did not pursue a vigorous all-out drive to "sell" CWS to their locals. In the first instance, the Industrial Engineering Department of the union visited locals at the latter's request. Further, it was not merely the wage gains from CWS which were stressed at such meetings. Often the union's job evaluation representative would look over the wage structure of the particular company with which the local was concerned and point to examples of inequities which the installation of CWS could be expected to remove.

In the early stages of adoption of CWS in Canada, therefore, education of union members in job evaluation, with particular reference to CWS, became a primary consideration. A complete understanding of the programme was necessary for union members, not only to eradicate their traditional fear of job evaluation, but also to prepare them for the considerable time interval between the initiation of the programme and its ultimate completion. A lack of appreciation of what was involved might have led to a belief that there were unnecessary delays, or even "stalling" by the

³³Steel Labor, XVI (October, 1951), 1.

company. As Mr. Baskin, onetime Director of the Union Industrial Engineering Department, has expressed it, "Unless there is sound thinking on the part of the union representatives in the Local it is useless to think of installing a plan."³⁴ Certainly a lack of information on the probable results of job evaluation could be counted upon to breed suspicion. It is not surprising, therefore, that part of the responsibility of the union's industrial engineering department is to conduct classes in the locals explaining the advantages to be had from CWS and the procedures involved in the programme.

However, after listening to the union officials, the members of the locals still have the right to reject CWS if they wish and to continue to secure their wage gains in "across-the-board" increases. One reason why CWS has sometimes been rejected concerns internal political pressures within the local. If the local president, or other influential officials, discover that their own particular jobs in the plant are likely to receive a low classification under CWS then they may advise the membership to reject the whole programme. However, it has sometimes been the case that a local is very anxious to install CWS but is advised by the Industrial Engineering Department that other objectives should receive priority from the local. For instance, where the base rate in the particular plant is unduly low in comparison with the rest of the industry, to press for CWS would mean that part of the wage increases which the company is prepared to offer would be used in establishing the cents increment between job classes rather than being devoted exclusively to base rate increases. In such a situation the raising of the base rate is considered a more immediate

³⁴Quoted in L.G. Nicolopoulos, op. cit., p. 25.

priority than the establishment of CWS.

In the early days of the programme where it was agreed to press for CWS immediately, a CWS Committee was selected by the Industrial Engineering Department from amongst local union men present at job evaluation classes. This committee was to undertake the task of job description and evaluation in its own particular company. The union regarded this as "very serious work" and it informed its local committees that "The work of the Job Classification Committee will constitute what is probably the most important undertaking ever embarked upon by your Local Union."³⁵ Consequently, representatives for this committee were not elected but were selected by the Industrial Engineering Department after consultation with the Local President. In this case democratic procedure gives way to the objective of administrative efficiency in view of the ever increasing complexity of the wage issue, and this in turn gives rise to greater dependence upon staff specialists within the union.

The members of the CWS Committees were selected for their plant experience and knowledge of technical operations, their collective bargaining experience and the adequacy of their general education, including their ability to perform routine arithmetical calculations. No difficulties were encountered in finding men sufficiently well qualified to serve on the committees in the larger steel plants. The only problem was that of persuading suitable union men to accept the responsibility which committee membership involved. Often considerable persuasion was required before these men would agree to become committee members.

However, in smaller plants more serious problems of committee

³⁵Handbook for C.W.S. Committees, p. 19.

recruitment were presented. It was found that in small plants, which also paid low wages, the average educational attainments of the workforce were comparatively low. If the hiring policies of these companies led, also, to a high proportion of the workforce consisting of immigrants from eastern European countries, unfamiliar with the language and unacquainted with the structure of the Canadian Steel industry, then these problems were intensified. Nevertheless, in spite of these difficulties suitable members for CWS committees were always eventually found. Indeed, union experience would seem to indicate that in the past few years the original reluctance to serve on the committees has given way to considerable competition among local members to be appointed to a committee in that the valuable technical and administrative experience thereby gained may enhance an employee's prospects of promotion within his company.

It is important to note that whenever a new plant decides to adopt the CWS procedure the local union committee does not carry out its work unaided. Every step of the way until the new rate structure is agreed the staff representatives from the union's Industrial Engineering Department are available for consultation with the local committee, assisting and revising in both the administrative and negotiating aspects of the programme. In this way the Industrial Engineering Department is enabled to perform its further vital function, from a union viewpoint, of acting as a central agency for ensuring throughout the union locals conformity and consistency with standard CWS practices.

It may be said, therefore, that the interest aroused by the success of the CWS venture at Algoma led to a rapid expansion of requests by union locals for CWS in their companies. For the industry as a whole the

Stelco CWS to
cover all WKS

decisive CWS "break-through" occurred in 1952. At Algoma itself, the 1952 contract provided for CWS for "all other operations". Earlier that same year Stelco had agreed to the CWS programme for all jobs within the bargaining unit and became the first company in Canada to adopt CWS principles in their entirety throughout all operations in its plants. In 1952 Dosco had also accepted CWS at its Sydney plant. Thus, by the end of that year the CWS study was under way at the "big three" unionized basic steel companies in Canada. In 1953 it was also installed in the Stanley Steel Company's Hamilton mill and, in 1954, was extended to the structural steel industry by its acceptance at Horton Steel, Fort Erie.

The important question now arises as to how far CWS has been confined to production and maintenance workers only, and to what extent it has been successfully extended into the "white-collar" groups of personnel within the steel industry, consisting of such occupations as draftsmen, clerks and typists. Management at Algoma had become interested in job evaluation for clerical staff as well as for production workers and proposed an evaluation programme for these workers to the union. Technical and clerical staff at Algoma had seen the gains secured by maintenance and production workers in the company from the original CWS programme and consequently would accept only the CWS system of evaluation for their jobs. Thus, once more Algoma was to be the pioneering company in the extension of CWS principle to its clerical and technical employees. Again the union secured large wage increases as a result; Steel Labor commented that "a 'package' settlement . . . at Algoma Steel Corporation puts office workers employed by this company well out in front in the white-collar field so far as wages and working conditions are concerned. It marks a big step towards closing

the gap between base rates of plant and office employees, one of the chief objectives of the office locals."³⁶

Nevertheless, so far in Canada there has been but limited experience of CWS among "white-collar" workers. At present only Algoma and the Continental Can Company, a U.S. subsidiary which extends CWS principles to its office workers as a result of contractual agreement with the U.S. section of the union, have CWS procedures for office workers. At Stelco, the largest Canadian basic steel company, office workers as a group are not covered by CWS principles because the bargaining unit does not extend to them. Thus, the limited extent of CWS among "white-collar" workers in Canada can be explained by the fact that the United Steelworkers is still conducting a major organizational drive for membership among these groups. Greater union security and increased membership are considered to be more pressing problems than the extension of CWS to this field.

It is perhaps interesting to compare the job evaluation manual for office workers and the more usual production and maintenance workers' manual and to note the differences between them in order to observe problems which might arise in the extension of CWS to office workers.

It is true that the manuals are basically similar in the evaluation principles which they employ. Nevertheless, two significant differences should be observed. For clerical and technical jobs seven factors only are taken into account in the job evaluation as opposed to the twelve used in evaluating manual jobs:

³⁶ Steel Labor, XX (January, 1955), 1.

TABLE V
 BASIC FACTORS OF JOB CONTENT USED IN CWS TO EVALUATE
 (a) PRODUCTION AND MAINTENANCE WORKERS, AND
 (b) TECHNICAL AND CLERICAL WORKERS

<u>(a) P. & M. Workers</u>	<u>(b) T. & C. Workers</u>
(1) Pre-Employment Training	(1) Pre-Employment Training
(2) Employment Training and Experience	(2) Employment Training and Experience
(3) Mental Skill	(3) Mental Skill
(4) Manual Skill	(4) Responsibility for Performance
(5) Responsibility for Materials	(5) Responsibility for Contacts
(6) Responsibility for Tools and Equipment	(6) Working Conditions
(7) Responsibility for Operations	(7) Responsibility for Direction
(8) Responsibility for Safety of Others	
(9) Mental Effort	
(10) Physical Effort	
(11) Surroundings	
(12) Hazards	

It is apparent that the differences of basic factors for production work and for office work are the result of the different conditions under which the jobs are carried out and the different skills required for each of them. Special factors of job content are present for clerical and technical

workers³⁷ and suitable benchmark classifications must be negotiated for them.

The second importance difference between the P. and M. and office workers' manuals relates to wage scales. Under CWS classifications for production and maintenance jobs a single wage rate is paid to all employees performing the same job. There are only two exceptions to this rule. Employees on certain jobs who are being trained as "learners" or "apprentices" are paid correspondingly lower wage rates. Also, for "trade or craft jobs" such as carpenters, electricians and toolmakers, it is recognized that "the varying qualifications and abilities of the individual will be taken into account."³⁸ Thus, under the CWS programme relating to production workers, with the exception of learners and apprentices, special consideration is given only to trade and craft jobs where there exists three rates, a starting, an intermediate and a standard rate. However, for office workers under CWS arrangements there are progressional rates for all jobs. On this score, the office workers' manual at Algoma stated:

1605 In addition to the standard hourly rates a schedule of training and development progressional rates is established containing the following:

- (a) an intermediate rate . . .
- (b) a starting rate . . .
- (c) a training rate . . .

.

³⁷Factor No. (5), Responsibility for Contacts, is a good example of the special requirements needed for Technical and Clerical work. This factor "measures the courtesy, tact and persuasiveness required to maintain good relationships and to induce cooperation by personal or telephone communications with persons other than immediate supervisors or co-workers." See Manual For . . . Clerical and Technical Jobs, between Algoma and Local 4509, U.S.W.A., (August 1, 1956), p. 44.

³⁸Procedural Agreement on Job Classifications, between Stelco (Canada Works) and Local Union No. 3250, U.S.W.A., (December 8, 1952), p. 5.

16.08 The established training, starting, intermediate or standard hourly rate shall apply to each employee during such time as the employee is assigned to the respective rate classification in accordance with the provisions of this Agreement.³⁹

It is more correct, however, to compare the progressional rates for clerical and technical employees with those of learners and apprentices in the production workers' manual in that an employee commencing at one of these rates automatically progresses to a higher job class after completion of a stated number of hours training. Whereas, for trade and craft jobs an employee can only progress from one level to another after satisfactorily performing tests designed to determine his qualifications and ability.

The explanation for the establishment of progressional rates for tradesmen and office workers lies in the nature of the work being performed. A labourer requires very little training to become a proficient workman but technical employees and craftsmen, for example, require a longer period of training in order to become fully proficient and qualified at their job.

In view of the extension of CWS to the white-collar field the further question now arises as to how far CWS has been extended beyond the basic steel industry itself, and the exact nature of its industrial coverage. It is true that although CWS was first used in the basic steel industry in Canada, it has gradually been extended to more diversified sections of the industry in the past few years. Indeed, it would not be an over-generalization to suggest that the scope of CWS agreements within the steel industry depends on the scope of the union's bargaining rights

³⁹Labour Agreement, between Algoma Steel Corporation Ltd., and Local Union 4509, U.S.W.A., (August 1, 1958), pp. 26, 30.

in the industry as a whole.

At the present time the programme is used in nearly all sections of the iron and steel and mining industries with which the United Steelworkers bargain. All the union organized basic steel plants and most of the structural steel industry have now completed CWS classifications. In addition, the programme has been installed in parts of the iron-ore mining industry and such non-ferrous mining industries as gold. Steel Labor reported in 1956 that workers in the mining operations of the Quebec Iron and Titanium Company had reached agreement for CWS establishment,⁴⁰ and the metal fabricating, wire rope and miscellaneous manufacturing industries with which the union bargains have likewise accepted CWS principles. In all, the union has contracts involving the programme in approximately eighty different plants and mining concerns spread across Canada and having become practically union-wide in their application, the provisions of CWS cover a union membership of approximately 60,000 employees, of which only 20,000 are employed in the basic steel industry from which the programme originated. Using a somewhat arbitrary distribution of U.S.W.A. contracts by plants in structural and fabricated steel, mining concerns, and office workers, the number of CWS contracts in each of these sections is as follows:

Basic steel:	6
Structural and fabricating:	68
Mining:	9
Office workers:	$\frac{4}{87}$

Source: Based upon C.W.S. in United Steelworkers of America Contracts in Canada (Toronto: U.S.W.A., April 2, 1960) typewritten.

⁴⁰Steel Labor, XXI (May, 1956), 1.

So far, CWS job evaluation in Canada is almost solely confined to the United Steelworkers union. The machinists union has received help from U.S.W.A. in establishing a different job evaluation programme, and a union of hospital employees in Saskatchewan has shown interest in installing an actual CWS programme but has not yet succeeded in negotiating a contract with CWS provisions. Another interesting case is the Catholic Syndicate Union at Sorel, Quebec, which also uses a CWS programme. This union, like the United Steelworkers, has a contract with the Quebec Iron and Titanium Corporation. The U.S.W.A. is bargaining agent for employees in the company's mine and the Catholic union represents employees in the smelting operations. In this case it was the proximity of the two unions, both dealing with the same company, which led to the Catholic union's deciding to press for the CWS programme. The example is also of interest in its own right as a case in which a union competing for membership with the Steelworkers received help from the latter in installing CWS.

The extension of CWS into areas other than basic steel is a reflection not only of the variety of the United Steelworkers industrial interests but also of the flexibility of CWS as a job evaluation technique. However, with the extension of the programme in and beyond basic steel there was, in fact, little change required in its application and procedure. The installation and administration of CWS remains much the same as it was in 1951 at Algoma. A "continuing committee" of three union and three management representatives operates in the plants to take care of the dynamic problems associated with a job evaluation, such problems, for example, as the reclassifying of jobs whose content and scope has altered since the original classifications were established, and the classification of new

jobs which have come about from technological changes. This committee only becomes active, however, "as the need arises" and no contractual provisions have yet been established for any complete and wholesale review of the entire CWS descriptions and classifications. However, the parties have recognized and stated explicitly that "It is equally as important to maintain the job descriptions and classifications in constant adjustment to fit new or changed conditions as it is to make accurate determination in the first instance and to make proper application of the resulting rates of pay from day to day."⁴¹

Some slight modifications have been made in the administrative mechanics of the CWS scheme since 1951. Instead of the former sequence of agreements - a procedural, a wage administrative, and, finally, a collective agreement - there are now usually only two relevant documents. The CWS "manual" incorporates everything relating to the establishment of job classes and the application of the programme; it contains no reference to actual wage rates to be paid and is thus static in that procedure and job classifications, except for adjustments to changed jobs, remain fixed once agreement is reached. Wage rates and increments, the variable elements, are negotiated from agreement to agreement. Thus it is the wage section of the collective agreement which sets down all matters pertaining to wages and rates of pay for the various job classes. In overall terms, CWS procedure has been simplified since its inception as confidence and experience have grown and thousands of benchmark jobs and precedents established, thus making its establishment in a new plant a much less time

⁴¹C.W.S. Manual for Job Description, Classification and Wage Administration, between Stelco and U.S.W.A., (October 1, 1956), p. 57.

consuming and administratively complex procedure.⁴²

In summary, then, the Cooperative Wage Study came to Canada, as it had done in the United States, in response to the need for a rational wage structure in the steel industry which would eliminate the great bulk of wage rate dissatisfactions and inequity grievances. In the U.S.A., however, the CWS programme had been developed by a coordinated effort on the part of a large number of companies and had wide industry support. Consequently, subsequent union pressure for its adoption was only part of the explanation for its widespread acceptance. In Canada, on the other hand, although job evaluation had originally been broached by the Algoma company, the pressure and stimulus for the widespread adoption of CWS came entirely from the union. Union initiative changed the status of job evaluation in the industry from that of an unusual procedure, and largely a voluntary affair, to an explicit demand in its contract negotiations.

However, in view of the union's traditional caution and inexperience regarding job evaluation, the scheme was initially approached at Algoma in a somewhat limited fashion, and throughout the entire procedure the union stressed that CWS set only the framework of the wage structure - the base rate and increments were still to remain the exclusive concern of the collective bargaining process. Negotiation as opposed to unilateralism was stressed at all stages of the programme, including the job classifications. The union went so far as to warn its members that "The Classifications Submitted [by the company] must be checked by the Union Committee . . . [as] the Company will, in some cases, attempt to submit the classifications

⁴²No less than fourteen months were needed merely to negotiate the first Wage Administrative Agreement at Stelco.

as low as possible, sometimes to the point of throwing the job out of line with other jobs. This may be particularly true of borderline factor values."⁴³

Nevertheless, far from fearing that "mechanical" wage setting would result from job evaluation to the union's detriment, the union soon learned to use the process to its own advantage. The notion of job evaluation as a weapon of management became obsolete. There are apparently firm grounds for believing that from the union viewpoint "If the tail of job evaluation succeeds in wagging the dog of collective bargaining it is largely because the dog does not know how to use its tail."⁴⁴

⁴³Handbook for C.W.S. Committees, p. 17.

⁴⁴Steel Labor, XVII (January, 1952), 7.

CHAPTER V

UNION AND MANAGEMENT AIMS AND REACTIONS

A significant aspect of the Cooperative Wage Study is that it challenges the firmly established belief held by some companies that job evaluation is "absolutely" a managerial function.¹ Certainly, union participation, in itself, represents an unusual administrative practice in a job evaluation. But even where union participation is accepted the question arises as to just how far this participation should extend. "It is often thought that [union] acceptance of the plan [is] considered as imperative, while active participation in the installation, maintenance and administration could be of secondary importance."² The CWS plan, however, required positive participation and a sharing of responsibility on the part of the union, in addition to mere acceptance. Indeed, the prevailing view of the steel companies in the United States in the early war years was that the union would not be prepared to accept anything but a jointly-administered job evaluation.³ Furthermore, although it is usually believed that "the selection of the plan is absolutely a management function",⁴ it has already been noted that in Canada the selection of

¹See D.W. Belcher, Wage and Salary Administration (Englewood Cliffs, N.J., Prentice-Hall, 1959), p. 262.

²L.G. Nicolopoulos, op. cit., p. 22.

³J. Stieber, op. cit., p. 25.

⁴L.G. Nicolopoulos, op. cit., p. 22.

CWS and the pressure for its adoption came from the union rather than from the steel companies.

In view of the "joint" nature of the CWS programme it is necessary to examine the attitudes of both parties towards the CWS undertaking and to discuss the possible gains secured by the union and the companies from the job evaluation. What did the parties hope to achieve from the installation of CWS and have these expectations been realized?

However, such a discussion of attitudes and reactions presents an immediate problem in that it is undoubtedly easier to state explicitly the aims and purposes of the union than it is those of management. Two reasons for this observation are apparent. Firstly, the fact that many Canadian companies now using CWS and recognizing the gains it has brought them still tend to regard it as a union plan in that, although CWS was jointly developed and administered, the demand for its installation in Canada came from the side of the union.⁵ Consequently, union aims regarding the programme can be more easily determined in that the union as the proposer of CWS evaluation in Canada had a much clearer conception of what it hoped to achieve by it than had the companies in which it was installed.

Secondly, the centralized coordination through which the union administers the programme by means of its Industrial Engineering Department in its Canadian head office in Toronto makes for more clear-cut consistency of purpose. In the previous chapter it was shown that the union's Industrial Engineering Department is used as a consulting agency by the locals employing CWS and that this department keeps a tight check upon

⁵For sources of management opinion regarding CWS used in this study see Appendix B.

each local's administration of the programme. Such union centralization is hardly paralleled on the side of the steel companies. They act independently and union procedure is to approach each of them individually at the time of contract renewal with proposals for the inclusion of CWS provisions. This procedure reflects organizational differences between the United Steelworkers in Canada and in the U.S.A. "Canada's basic iron and steel industry is not integrated with structural and fabricating industry to the same extent that exists in the U.S. The result is that industry-wide negotiations [in Canada] covering mines, basic plants and fabricating shops are, as yet, impossible. Hundreds of separate contracts must be separately negotiated."⁶

However, some attempt at company coordination on CWS policy has been made. Some of the larger Canadian companies are members of the Cooperative Wage Bureau in Pittsburgh⁷ which keeps files of job descriptions and classifications and supplies consulting services. This is not, however, primarily a policy-forming body for companies employing CWS. Its main function is to act as a filing system "providing a source of information to companies which want to check on classifications of new jobs they are about to install."⁸

More important from a policy-making viewpoint in Canada is the "Canadian CWS Group" established informally in 1954. This organization

⁶V.D. Sweeney, op. cit., pp. 186-187.

⁷From a total Bureau membership of 69 companies only 8 are Canadian companies. These include Algoma, Dofasco, Dosco and Stelco. See Roster of Member Companies and Company Representatives . . . (Pittsburgh: Cooperative Wage Bureau, revised January 1, 1960).

⁸J. Stieber, op. cit., p. 126.

had its origins in occasional meetings between industrial engineers from Algoma, Stelco, and some other companies which were leaders in the establishment of CWS in Canada. As membership of the organization came to embrace most Canadian companies using CWS techniques in subsequent years, however, a somewhat more systematic procedure for its meetings has been developed. It is now customary for two meetings a year to be held at either Toronto or Montreal. A chairman is elected from the thirty or forty delegates to conduct the meeting, together with a secretary who corresponds with member companies between meetings regarding the agenda and dates for subsequent meetings. However, there is no permanent secretary of the organization or office staff, no membership fee, and the informal structure of the organization still persists.

This arrangement is preferred to more systematic organization largely because the member companies are anxious that the United Steelworkers shall not believe that it is facing a united front in its negotiations on CWS administration. Nevertheless the union had long been aware that the steel companies tend to consult together on overall matters of industrial relations policy. When the union was formulating its 1952 contract proposals at Algoma, Dosco and Stelco its national journal commented that "It may be assumed that the companies will consult unofficially behind the scenes as they have done on occasion in the past. The union makes no secret of its policy of coordinating the efforts of the three locals through a national committee [consisting of six representatives from each of the big plants, together with the National Director]."⁹

The function of the Canadian Group is to bring together the companies

⁹Steel Labor, XVII (April, 1952), 1.

employing CWS in order to compare administrative experience of the programme and to advise on any difficulties which a particular company may have experienced under it. It is therefore of greatest service to inexperienced companies which have only recently agreed to the installation of CWS with the union. As a result of this organization the union cannot take advantage of the inexperience of a new company to negotiate an usually high job class for a particular job and then use this as a lever with which to force other companies to accept such a classification. It might be said, then, that the purpose behind the Canadian Group is to obtain some of the centralized coordination already achieved by the union in its CWS policy, and thereby to even up a bargaining advantage possessed by the union.

It must be stressed, however, that in spite of the existence of this company organization the union still retains more significant powers of coordination in CWS policy than do the steel companies. It has already been shown¹⁰ that the union tries to ensure that its locals maintain uniformity of administrative practice when CWS is installed in a company. On the other hand, companies in the Canadian Group possess no control over the CWS practices of their fellow members. Conformity of practice may be the aim and Stelco or Algoma representatives may advise smaller companies and new members of the Bureau. But these companies need not accept such advice and they can pursue an independent course of action. There are no penalties for departures from conformity and consequently the Canadian CWS Group does not enjoy powers or policy-making capacity even remotely equivalent to those of an employers' organization.

¹⁰See p. 76.

It is apparent, therefore, that the nature of this Group is important in explaining company difficulty in securing clear-cut consistency of CWS policy across the industry. Also, an account of its procedures is of interest in its own right in illuminating a mechanism of multi-employer organization, having its own purposes, and which could have implications for wage structure throughout the industry.

It is now proposed to consider the question of the benefits received by the United Steelworkers from the installation of CWS. Certainly, after the establishment of CWS at Algoma it became apparent that the union had secured significant benefits. These union gains must, therefore, be considered in greater detail.

In the fall of 1953, only two years after the first company in Canada had agreed to the scheme, Mr. A.S. Tirrell, Director of the union Industrial Engineering Department, was reported as saying that "One of the most significant results of the CWS programme is that many people who have been paid at the 'labour rate' are now in a higher classification." As an example he cited the case of one plant in Hamilton "where 20 per cent of the working force were being paid the base rate. As a result of the job study, no job falls into Class I, for which the rate is \$1.37. The lowest paid man in the plant gets \$1.41."¹¹ Thus, one important union motive in encouraging their locals to press for CWS was the possibility of overall wage increases, especially for lower paid workers. After all, no employee could be made worse off in terms of absolute wage rates because with CWS:

¹¹The application of rates in the standard hourly wage scale shall not

¹¹Steel Labor, XVIII (October, 1953), 3.

result in a reduction of take-home pay for any incumbent whose rate of pay at the time of application of the standard hourly wage scale rates may be higher than the rate provided for in the standard hourly wage scale for the respective job class of his job.¹²

The possibility of general wage rate increases upon the application of CWS was, therefore, an important consideration for the union. But, as we have already noted, by 1951 union policy had shifted from exclusive concentration on overall wage increases and the raising of the base rate - a policy which was so apparent during the war years - to concern for the "shrinking differentials" of tradesmen within the union. As a result of the installation of the CWS programme it was realized that no employee would suffer financially, many would gain from the new job classifications and, in particular, tradesmen could be expected to improve greatly their relative position in the wage scale as a result of the higher classifications they would receive to compensate for their skill, training and responsibility. The union stated categorically that its intention was "to press for the introduction of a programme of job classifications which defines the relationship between unskilled, semi-skilled and skilled jobs."¹³

It might perhaps be supposed that the union, in addition to its concern for more realistic differentials between individual employees, might hope that uniform CWS classifications would eliminate the geographical differentials between plants which were so apparent in Canadian basic steel. It is true that parity of base wage rates had been achieved between the three major companies in Ontario and Nova Scotia in 1946, but

¹²Cooperative Wage Study Manual . . ., between Stanley Steel Co. Ltd., Hamilton, and U.S.W.A., (1954), pp. 53-54.

¹³Steel Labor, XVI (November, 1951), 1.

the gap soon opened again.¹⁴ In 1952, the year when many companies first accepted CWS, the earnings differential in basic steel, which to a large extent reflects wage rate differences, among the three provinces for which these statistics are available, was as follows:

TABLE VI
AVERAGE EARNINGS OF WAGE-EARNERS IN
PRIMARY IRON AND STEEL, 1952

	Average Weekly Earnings \$
Ontario:	70.49
Quebec:	63.20
Nova Scotia:	59.44

Source: Earnings and Hours of Work in Manufacturing 1952
(Ottawa: Dominion Bureau of Statistics), pp. 18-19.

The union in Canada certainly considered the elimination of regional wage differences a major matter of policy:

There will be no let up by the Steelworkers in their efforts to remove inequities between the various geographic areas. In this respect, Canada presents a kind of "crazy quilt" with workers in Newfoundland, the Maritimes and the Prairie Provinces away below those in Central Canada and the West Coast.¹⁵

In order to eliminate these geographical differentials by means of the CWS programme both parity of job classes for similar jobs across the country and parity of base rates in each plant would need to be

¹⁴ See p. 62.

¹⁵ Steel Labor, XVI (January, 1951), 3.

achieved. As a result of union pressure for uniformity of job classification in all plants widespread parity of job classes was indeed achieved. But, from discussions with union officials, it would seem that the union had no real reason to hope that CWS procedures would lead to base rate wage parity. After all, absolute levels of wages are not determined by CWS, but by the collective bargaining process. It is of course true that CWS job evaluation highlighted inter-plant and inter-company wage differentials and by ruling out their defence on the basis of job content opened the way, in this respect at least, to full parity of wage structure throughout Canadian steel. In 1958, for example, there was fairly close, although not absolute parity of base rates and job class increments among the three main unionized companies:

TABLE VII
WAGE RATES OF THE THREE MAIN UNIONIZED COMPANIES
IN CANADIAN BASIC STEEL, 1958.

	Base rate \$	Increment ¢
Algoma	1.78 1/2	6
Stelco (Hamilton Works)	1.78 1/2	5.6
Dosco	1.74 1/2	5 1/2

Source: C.W.S. in United Steelworkers of America Contracts in Canada (Toronto: U.S.W.A., April, 1960) - typewritten.

At the time of negotiations for the first CWS contracts in Canada another aspect of the question of wage rate differentials was also apparent. This concerned the lack of parity between rates paid in the steel

industry in the United States and those paid in Canada. The Labour Gazette reported in 1952:

A base wage-rate equal to that in the United States has been established by Local 1005 of the United Steel Workers of America (CIO-CCL) in negotiations with the Steel Company of Canada, for the first time in the Canadian Steel industry. Only the base rate is the same as that in the United States steel industry. Because of a difference in wage spreads paid in the two countries, United States steelworkers' wages average 20 cents an hour more than Canadian.¹⁶

It was noted that this particular CWS agreement had set the increment between job classes at 4 cents, 1 1/2 cents below that in the United States, the eventual aim on the part of the union being to close this increment gap and thereby establish wages completely equal to those in the United States.¹⁷ It is clear, therefore, that the union hoped that CWS could be used as a lever with which to press its claims in Canada for equal pay for similar work to that done in the United States throughout the entire structure of job classes.

Disparities between wage rates of United States and Canadian workers, although they have for long existed in most industries, began to cause real discontent only during and since World War II. In this period rapid economic expansion in both countries, the extension of American ownership of some large companies in Canada and the large-scale organizing campaigns carried out by the A.F.L. and C.I.O. international unions across the border had all contributed to a growing awareness of, and dissatisfaction with, wage disparities between the two countries.¹⁸

¹⁶ Labour Gazette, LII (September, 1952), 1166.

¹⁷ Ibid.

¹⁸ See S. Jamieson, "Labour Problems of an Expanding Economy", Canadian Journal of Economics and Political Science, XX (May, 1954), 146.

Thus, it was only to be expected that the United Steelworkers, largest of the international unions in Canada, would attempt strong pressure to achieve Canadian-United States wage rate parity. This union, in attempting to encourage locals in Canada to press for CWS in their negotiations, claimed for the programme that "most important it establishes the principle of parity in the rates as between workers in the Canadian and United States steel industry, and paves the way towards the achievement of this objective in full".¹⁹ It also stated that "once a national [wage] structure is arrived at, the job of narrowing the differentials between Canadian and U.S. rates in the skilled classifications can really be tackled."²⁰

The union's arguments for international wage parity were sometimes based solely upon the relatively higher cost of living index in Canada.²¹ To the union this higher cost of living proved the need for wage parity, at least, and perhaps even higher wage rates in Canada. However, other issues were pertinent to this consideration, such as greater wealth, productivity and broader markets characteristic of the situation in the United States, and Canadian employers were quick to point them out. The journal of the Canadian Manufacturers' Association Incorporated, Industrial Canada, noted the Steelworkers' demand in 1951 for Canada-U.S. wage parity. To refute the union's arguments the Association's Industrial Relations Committee issued a special circular to their members, setting out the

¹⁹Steel Labor, XVII (September, 1952), 1.

²⁰Steel Labor, XVII (January, 1952), 7.

²¹See, for example, their 1951 Annual Policy Conference decision on this question, reported in Steel Labor, XVI (November, 1951), 1.

reasons why wages in Canada were, on the average, below those in the U.S.²²

Certainly, the Canadian steelworkers were not able to maintain the base wage parity which they had achieved for a brief period at Stelco as a result of hard bargaining. Wage increases subsequently granted in the United States outstripped those pertaining in Canada.²³ Thus it has been correctly pointed out that the Canadian steelworkers were unable to consolidate their base rate parity of 1952 in that:

The Steelworkers locals in Canada succeeded for a brief period in establishing the same common-labor rate as in the United States, though rates for higher jobs were graduated less steeply so that average plant wage levels remained lower in Canada. Even the parity in labor rates was lost after a year or two, and the union has not been able to re-establish it.²⁴

Perhaps this comment is more significant in pointing to the fact that, if the "parity" objective is to be meaningful, then mere base rate parity is specious parity if the rest of the wage rate structure is graduated less steeply in Canada than in the United States.

Consequently, the intention of the United Steelworkers union in Canada was to fit CWS into its overall wage policy in the hope that the programme would help realize some of the wage rate objectives of a union in which "wage uniformity and setting basic wage goals as key points in national policy have . . . become principles of action."²⁵

This emphasis upon regional and international wage parity, and

²²See Industrial Canada, LII, (February, 1952), 44.

²³In 1959, for example, the base wage rate at the largest steel company in Canada, Stelco (Hamilton Works), was \$1.85½. At the largest company in the U.S., United States Steel Company, it was \$2.13. See Monthly Labor Review, LXXXII (October, 1959), 1095.

²⁴L.G. Reynolds and C.H. Taft, op. cit., p. 288.

²⁵H.A. Logan, op. cit., p. 254.

more especially on attempts at consistency and uniformity in job classifications to further this aim, is only to be expected in view of the long established practice of maintaining a high degree of centralization of the Canadian section of the union in its collective bargaining policy.²⁶ It has pressed for uniformity of rates for similar work throughout the industry and beyond. Moreover, the union has now come to place more emphasis upon strict uniformity of job classifications between companies than it did at the outset of the CWS programme. According to union sources, some companies originally suggested to the union that rather than follow the specimen jobs set out in the CWS manual they would prefer to negotiate their own benchmark jobs. When this procedure was attempted, however, the union concluded that the companies were attempting to negotiate classifications much lower than those of the specimen jobs in the manual. Consequently, the union now places much more emphasis upon rigid adherence to the manual in the interests of uniformity of job classifications.

In addition to overall union aims regarding the CWS programme, it is interesting to note internal repercussions within the union following the actual establishment of CWS.

On the whole, employee reaction to CWS seems to have been favourable. No one could be made worse off financially as a result of the programme but the union did realize that some complaints would be inevitable. In order to minimize any dissatisfactions the union decided to present only the finally agreed classification of a job to an employee rather than inform him what his job class was likely to be whilst the evaluation was

²⁶S. Jamieson, Industrial Relations in Canada (Toronto: MacMillan, 1957), p. 72.

actually being carried out. The union reasoning was that evaluations were meant to be objective and consistent and, in consequence, it told its local union evaluation committee that it "must not permit itself to be pressured for any reason by any group or individual."²⁷ The committee was specifically advised:

Do not at any time discuss with anyone outside of the Committee what the job class of a particular job is or might be. This is of paramount importance. Unless the Committeemen are anxious to create unnecessary difficulties for themselves they will make this a cardinal rule.²⁸

In spite of such obvious precautions the union did receive some sporadic complaints from vocal minorities who had fared less well relatively from the evaluation than other groups. But the advance publicity given to the programme together with the detailed explanations and job evaluation instruction given to locals prior to the installation of CWS meant that complaints were kept to a minimum. There was no "flood of complaints to the international office" from union members as had occurred in the U.S.²⁹ It would appear that the operation of the programme in Canada has been characterized by a remarkable absence of "griping". This is to be explained by the attention given in Canada to advance preparation of union locals for CWS, the great consistency of job classifications across the country, and the leisurely procedure by which the programme was carried out in Canada. In this latter connection, the union insisted that members involved in CWS classifications should continue to receive

²⁷Handbook for C.W.S. Committees, p. 19.

²⁸Ibid., p. 12.

²⁹See J. Stieber, op. cit., p. 95.

full wages from the companies, thereby ensuring that committeemen would not feel the need to complete the classifications hastily in order to avoid further loss of earnings. On the other hand, in the U.S. "the original classifications were negotiated under considerable pressure from both sides" and "steel companies and the international union were in a hurry to agree on classifications."³⁰

Nevertheless, the occasional trouble spot does develop in the Canadian section of the union. At one meeting held at a local union headquarters in Hamilton³¹ members of the local CWS Committee, together with shop stewards, met with an industrial engineering representative from Toronto union headquarters. Heated comments were expressed at this meeting as a result of claims by derrick operators that they had received an "incorrect" (i.e. insufficiently high) classification under the CWS programme. The union representative pointed out that they had received the best classification the union could secure for them at the time of CWS installation and that, by contractual agreement, the job description and classification could only be altered if there was a change in job content to the extent of one full job class or more. Thereupon, one of the shop stewards asked this official which side he represented, and even suggested that the derrick men might feel compelled to defect from the union. However, stormy meetings such as this, where union headquarters representatives have to devote most of their energies to disciplining their own members in defence of the negotiated agreement, are of rare

³⁰ Ibid., p. 137.

³¹ Meeting of a local union CWS Committee, January 6, 1961 - attended by the writer.

occurrence.

It is probably true to suggest that once CWS classifications have been agreed the ability of individual employees to seek redress with regard to relative wage rate grievances is considerably reduced. Since such grievances are precluded once the CWS agreement is negotiated, management will no longer entertain them. For the minority who still feel inequity grievances, therefore, discontent is no longer aimed so much at management as at union officials. It may well be said, then, that in this case CWS has burdened the union with additional responsibilities.

In this connection it is often thought that a union sharing job evaluation responsibilities with management is placed in a difficult position. The union usually prefers to feel free to negotiate not only the overall wage rates, as under CWS, but also individual rates - a practice which is irreconcilable with job evaluation. Certainly, unions have been traditionally opposed to any system which attempts to limit in advance the factors which may be considered in rate setting. It is, therefore, somewhat surprising that the United Steelworkers has stated that "We have noted no evidence that C.W.S. has imposed any limitations regarding our freedom of action in collective bargaining. Subjectively, it might be stated that C.W.S. has enabled us to make gains we might not have made without it."³² The union argues that for some groups of workers³³ CWS evaluation has provided the arguments with which to procure substantial

³²W. Mahoney, Canadian National Director, U.S.W.A., letter to the writer, May 29, 1961.

³³In discussions with union officials the case of coke workers at Dosco has been mentioned. Upon original installation of CWS at Dosco these workers received 55-60 cents an hour wage increases - considerably more than they could ever have hoped for in the absence of CWS.

wage increases for these workers. These wage claims would almost certainly have been rejected outright by management in the absence of the comparative yardstick and measuring rod of job-worth provided by CWS evaluation.

From the viewpoint of United Steelworkers headquarters in Toronto there appears to be considerable satisfaction with the results of the Cooperative Wage Study in Canada. The programme is perhaps not the greatest achievement in the union's history, but it is held to rank equally amongst the union's most notable accomplishments. Specifically, the gains which the union believes it has secured from the programme emphasize, as has already been stressed, the joint nature of the undertaking and its overall uniformity, together with the widening of craftsmen's differentials which it established. They have been summarized as follows:³⁴

- (1) It provided a rational, systematic method of determining job and rate relationships which was acceptable to the union as it participated in its development.
- (2) It enabled the union to judge its overall rate relationships more intelligently.
- (3) It enabled the union to develop to a large degree consistency in the job classifications in the plants in which it bargains.
- (4) It enabled the union to establish properly related rates for the tradesmen, thereby eliminating the discontent which was developing in these ranks prior to the installation of CWS.
- (5) It provided the union with a yardstick for measuring the equitability

³⁴W. Mahoney . . . , letter to the writer.

of the various incentive plans in effect in the steel industry.

Such, then, were the aims, reactions and gains of the Canadian United Steelworkers as a result of the application of the CWS programme. It is now necessary to review the attitudes and reactions of management in the steel industry to demands by the union for CWS.

The position in the United States prior to the introduction of CWS was characterized by a realization of the mutual interest of union and management in eliminating once-and-for-all the bulk of wage inequity grievances. During the war years this was the central problem in steel industry labour relations. Consequently, management was as eager as the union to solve this pressing problem and it was the steel companies themselves which took the initiative in organizing the research group from which CWS was born.

In Canada, however, it was felt by some management officials that inequities were not nearly so numerous as in the United States. It is, however, difficult to determine this point empirically in the absence of records of inequity grievances by the big companies. Certainly, inequity complaints could not be said to be the major issue in the Canadian industry's industrial relations in the postwar period. It is, however, probably correct to state that numerous inequities did exist in the Canadian steel industry (as was proved by the results of the CWS programme), but that these inequities had not given rise to as many grievances as were experienced in the U.S. An explanation supporting this viewpoint lies in the differences of the steel industry's collective bargaining procedure in the two countries. In the U.S. collective bargaining takes place on an industry-wide basis whereas in Canadian Steel individual company contracts are the more

usual procedure. Thus, in the United States local unions came together for bargaining purposes and through discussions of comparative wage rates and rate relationships in their own plants came to possess a greater realization and appreciation of the many inequities which did exist. In Canada, the position prior to CWS was that locals often possessed no accurate knowledge of wage rates pertaining in the steel industry in various parts of the country.

In view of the fact that wage rate inequity problems had not come to present so vital and urgent an issue in many Canadian Steel plants, management reactions could be expected to differ from those in the U.S. when the union proposed CWS. Indeed, as a result of the comparative infrequency of inequity complaints in Canada, management in the industry was often not prepared to acknowledge the existence of any inequities when the union had pressed them on the matter. However, this attitude on the part of management can also be explained as a tactical move typifying the companies' lukewarm reaction to CWS proposals in Canada. The companies had come to realize from the results of the programme in the U.S. that the installation of CWS would be costly. In this sense, then, it is true to suggest that one of the objectives of the union in pressing for CWS evaluation in Canada was to prove to management that inequities did in fact exist.

One reason for Canadian management's rather negative response to CWS proposals was the fact that, should CWS be accepted, the union committee would possess equal rights with the company in the installation and administration of the programme. The union in pressing for joint determination of job evaluation was asking for penetration into an area

which is usually regarded as falling exclusively within the sphere of management. To accept the proposals would necessitate management partially surrendering control over one area of enterprise administration. Canadian management, no less than American management, held that "union participation is an interference with essential 'prerogatives' of managers" and "In some firms . . . major concern appears to be directed toward 'containment' of unions and resistance against their participating in labor management".³⁵

In the companies visited in Hamilton in connection with this study, none of them initially accepted CWS with enthusiasm and many agreed to it only after much deliberation.³⁶ For instance, at the Donald Rope and Wire Company, a steel fabricating plant, the union pressed for CWS for four years before the company finally accepted the programme.

The question of preserving managerial prerogatives does seem to have been highly significant in influencing the attitudes of the companies to CWS. In a feature report on CWS in Canada, the Financial Post stated that CWS had been accepted in some contracts but that "in other areas it has run head on into management's stand on its own right to run the business."³⁷ Moreover, the Steel Company of Canada, one of the first companies to agree to CWS, had similar reservations regarding union "encroachments" into management. In 1956, two years after the complete installation of CWS, its Director of Industrial Relations, H.J. Clawson,

³⁵D. Yoder, Personnel Management and Industrial Relations (4th ed., Englewood Cliffs, N.J.: Prentice Hall, 1956), p. 351.

³⁶This generalization does not include CWS at Dofasco. But there were special reasons for acceptance of CWS in this company. See Chapter VII.

³⁷Financial Post, LIII (July 11, 1959), 57.

gave telling expression to these sentiments:

Probably one of the most important things management must do in future is to guard its functions and prerogatives against union encroachment. In fact, we must begin a process of retrieving some of the rights which management have imprudently bargained away in the past. We have been all too prone to trade away some so-called minor non-economic concession - a mutual consent clause, a joint committee or rigid seniority rules - for a monetary consideration.³⁸

Perhaps Mr. Clawson was not unmindful of the CWS "joint committee" when he made this statement.

Equally important, however, in management's often hostile reaction to CWS implementation, was the cost consideration. The companies realized full well that the programme would result in wage increases and many companies put a maximum cents-per-hour limit on the cost of CWS averaged for each employee in the plant. As early as 1954 it was noted that "job evaluation is being used a great deal by the unions, and basically as a technique for a raise."³⁹ Add to this the cost of securing the services of a firm of industrial consultants to advise on installation of the programme, a consideration which was important to some of the smaller firms, the amount of time needed to complete it, together with the belief of some companies that, for them, inequities did not warrant such serious and costly, attention, and it is easy to understand management's anti-path towards proposals for CWS.

It is no exaggeration to suggest that in Canada the programme was finally installed in many companies in spite of, rather than because of, management. A period of uncertainty followed by passive acceptance seems to have been the keynote in many companies. Why then did the steel

³⁸ Financial Post, I (November 10, 1956), 32.

³⁹ Cost and Management, XXVIII (December, 1954), 446.

companies eventually agree to install CWS? In some cases it was the result of an actual strike on the issue by the union. In at least two instances, Horton Steel, Fort Erie, and the Canadian Bridge Company near Windsor, CWS was accepted only after the union had called a strike to compel acceptance of the programme. However, in most of the Canadian steel plants CWS was accepted without strike action. It is, of course, quite likely that companies voluntarily adopting CWS were well aware that CWS might be made a strike issue, as a last resort.

Yet it is undoubtedly true that much firmer company resistance to CWS would have been shown if the general economic position of the steel industry had been less favorable at that time. The early agreements at Algoma, Stelco and Dosco were made in a period when economic conditions and the profitability of the steel companies were very favorable. Rising prices, high profits and boom-time conditions were characteristic of the immediate post-1951 period. Dr. Morgan in her report on the Canadian industry notes "the generally favorable conditions of the past ten years."⁴⁰ In 1952 comment was made on defence supporting industries such as primary iron and steel which had shown large increases in output during the past year.⁴¹

Moreover, once the large companies and leaders in the Canadian industry had accepted CWS it was felt by many of the smaller companies that it was only a matter of time before the United Steelworkers would compel their own acceptance of the scheme. These factors coupled with

⁴⁰Lucy Morgan, op. cit., p. 38.

⁴¹Canadian Statistical Review (Ottawa: Dominion Bureau of Statistics), XXVII (January, 1952), i.

the knowledge of favorable company experience of CWS in the United States and the possibility of company gains in reducing wage rate complaints, for example, to balance the high cost of initial installation of the programme, go far towards explaining eventual agreement on CWS principles by the Canadian companies.

However, once CWS had actually been installed and its benefits made apparent, management came to regard the whole programme more favorably. Even the few companies which still hold reservations about union participation in job evaluation admit that they would not now abandon CWS without having some similar job evaluation scheme to replace it. The rationalized system of rate setting which now exists has highlighted the limitations of the uncoordinated set of wage rates and rate relationships that existed prior to CWS. A statement by an official of the Algoma Corporation regarding the merits of CWS exemplifies management reactions. Mr. N.M. Kensit, Superintendent of Industrial Relations, has stated that his company feels that "as far as classification of jobs is concerned this has been a good program both for the employees and for management."⁴²

The most important gain secured by the companies from the programme is that complaints centering on alleged injustice of individual wage rates have been virtually eliminated. Where those still exist the employees are usually trying to claim that their job duties have altered since the inception of the programme. Thus, in companies employing CWS procedures it is stipulated by agreement between the parties that, with the exception of new and changed jobs, "no basis shall exist for an

⁴²
N.M. Kensit, letter to the writer, April 15, 1961.

employee, whether paid on incentive or non-incentive basis, to allege that a wage rate inequity exists, and no grievance on behalf of an employee alleging a wage rate inequity shall be filed or processed during the term of this agreement."⁴³ This type of grievance which had existed prior to CWS was troublesome and time-consuming in its investigation and management was glad to see the grievances ended.

Furthermore, CWS led to some other rather indirect gains to the companies. The very fact that the companies had to discuss job classifications and rates with the union compelled them to conduct a really effective survey of their whole organizational structure and sometimes brought more sharply into focus earnings relationships and job responsibilities of which management had been previously unaware. The result was in some instances a tightening and greater systematisation of the administrative organization of the enterprise.

Also the CWS programme resulted in greater stabilization and management control of cost. As a result of classification and evaluation management now knows its labour costs on a particular job more exactly and, more important, the reasons why one labour grade receives greater or less remuneration than another. It should be noted, however, that not all firms using the CWS procedure benefitted to the same extent in respect of tighter organizational patterns and control over costing. In a specific case the gain depended upon the situation which existed prior to CWS - on the amount of attention given by the company to cost control and to systematic organizational structure.

⁴³ Wage Administrative Agreement between the Steel Company of Canada (Canada Works) and Local Union No. 3250, U.S.W.A., September 9, 1955, p. 3.

In summary, therefore, both the United Steelworkers and the companies achieved significant gains as a result of the Cooperative Wage Study. Likewise both parties incurred high costs as a result of the original installation of the programme. The companies employed industrial consultants, paid the union evaluation committee wages, and paid considerable overall wage increases as a result of the evaluation. However, these CWS costs were probably more disproportionate in relation to total labour costs for the smaller companies than for Stelco, Algoma and Dosco. The union, for its part, had to establish an industrial engineering department and meet the costs of training local union evaluation committees.

The magnitude of the task of evaluation in the industry must be stressed. In the Stelco organization alone there were 2,700 job categories described and classified and the company reached agreement on all of them without a single referral to arbitration.⁴⁴ As the union informed its locals, "the task assigned to the [job evaluation] committee is tremendous. The results, if the job is well done, equally as great."⁴⁵ It is therefore apparent that there must have been a good deal of goodwill shown on both sides to enable such a task to be completed with the minimum of delay and disruption.

A concise evaluation of CWS has been made by the union and is one to which management would not take exception:

The programme isn't a cure-all. It doesn't eliminate time study or incentive problems. What it does aim at is the establishment of a reasonable and workable rate structure in which the basic rate for each job depends not on the personality or sex of the worker, nor,

⁴⁴W. Kilbourn, op. cit., p. 201.

⁴⁵Handbook for C.W.S. Committees, p. 24.

as in some cases, on the whim of the foreman or plant superintendent,
but on the job itself.⁴⁶

⁴⁶Steel Labor, XX (July, 1955), 9.

Chapter VI

CWS AT THE STEEL COMPANY OF CANADA

The Steel Company of Canada is the largest producer of basic steel in the country,¹ has a workforce of 15,000 employees and conducts almost one-third of a billion dollars' worth of business annually. In Hamilton itself, the site of the company's main operations, over one-tenth of the population is composed of families and dependents of Stelco wage earners. Moreover, the company is a leader in technical innovation and expansion in the industry and its expansion and modernization programme during the 1950's, including a new oxygen process for the blast furnaces, cost one quarter of a billion dollars.²

However, the company's industrial relations were for long characterized by a degree of bitterness and mutual suspicion rarely experienced elsewhere in the industry. Until 1944 the company was adamant in its refusal to recognize the United Steelworkers. In the pre-war years the company had set up a works council in order to further effective labour-management relations. This council, however, was derided by the United Steelworkers as being a "company union" which was completely dominated and controlled by management.³ Also, an important part of Stelco's wage policy in pre-union days was the practice of paying slightly higher wage

¹See Table I, p. 36.

²See W. Kilbourn, op. cit., p. 207 passim.

³See Steel Labor VIII (March, 1943), 2.

rates than were paid by the steel companies which had contracts with the United Steelworkers. The union treated this policy with similar cynicism:

Watching the union growth the company began its great defensive. Just as early English monarchs of long ago paid Danegelt to stave off further settlement by the northern sea rovers, so the management of Stelco began doling out wage gains, desperately keeping one step ahead of union gains elsewhere.⁴

The strike of 1946 at Stelco was the culmination of the ever increasing conflict between the parties. The issues centered upon union demands for a substantial wage increase, a forty-hour week, a union shop and the automatic check-off of dues. The strike lasted eighty-one days and as a result of skirmishes on the picket lines, the fact that a substantial number of employees continued to work in the plant during the strike, and a government enquiry, the "big strike" at Stelco was thrust into the centre of public interest across the nation.

The eventual settlement of the strike, however, did mean an increase in the union's power in the company. Indeed "the crucial difference made by the coming of the union at Stelco . . . lay in the replacement of an informal paternalism by a formal participation in the control of men's working lives."⁵ Nevertheless, some of the former attitudes and suspicions continued to persist on both sides. There was "the hard feeling within the ranks between strikers and insiders that left the deepest wound"⁶ together with "the legacy of personal bitterness [which] tended to obscure much that had been good in the old relationship between the company and

⁴Steel Labor, X (April, 1945), 5.

⁵W. Kilbourn, op. cit., p. 200

⁶Ibid., 202.

its employees."⁷

No further strike occurred at Stelco until 1958, when for the first time since the war the company refused to grant any substantial wage increase in the new contract. However, the most significant gains for the union since the "big strike" were realized as a result of the 1952 negotiations. The new base rate of \$1.43½ granted in that year was the same as that set only a few days earlier in the United States steel industry and thus represented a significant step towards the achievement of full wage-scale parity between U.S. and Canadian rates. Moreover, the company agreed to CWS job evaluation for all jobs within the bargaining unit and thus became the first company in Canada to agree to apply CWS principles to all its production and maintenance jobs. Dr. Kilbourn has stated that "in 1952 . . . the company took the important step of establishing a more rational modern job evaluation programme."⁸ However, far from being a unilateral step initiated by the company, this evaluation was a cooperative effort on the part of both management and union, and the actual initiative for the establishment of CWS came from the union rather than from the company. Indeed, the company agreed to CWS only after much consideration.

At the time of the CWS proposals Stelco was aware of the extent of the programme in the United States and the fact that Algoma had accepted it the previous year. Yet the company still approached these proposals with a good deal of concern and uncertainty. Several reasons are apparent

⁷Ibid., 201.

⁸Ibid., p. 201.

for this reaction:⁹

- (1) Cost. It was realized at the outset that this would be a costly programme to install and administer; and it was by no means certain whether the benefits to the company from CWS would justify such expense.
- (2) Inequity grievances. The company felt that inequity grievances, although difficult to resolve, were not so numerous as to be intolerable (as they were in the U.S. when the CWS programme was installed there.)
- (3) Conservatism. In view of the durable, "once-and-for-all" nature of CWS evaluation there was fear of taking such a drastic step because of uncertainty in respect to possible long-run repercussions of the programme.
- (4) Managerial prerogatives. The setting of rates was regarded as a basic function of management. The granting of CWS would mean further encroachments by the union upon management's rights.
- (5) Suspicion. The union had not become firmly established at Stelco until 1946. As CWS was proposed only six years later the union-management relationship was still immature in the sense that mutual respect and understanding by the two parties was still not fully consolidated. The union was pressing strongly for CWS and, consequently, the company felt that from management's viewpoint there must be grave faults with the programme.

In view of these sentiments on the part of the company it is

⁹Information obtained from interviews with Stelco officials.

perhaps surprising that CWS was ever accepted at all. However, an Industrial Engineering department had existed at Stelco since the 1930's. It advised on production "standards" and problems of incentive wage payments, and the company had come to realize the benefits which could be obtained from sound job evaluation. Moreover, an industrial engineer from the United States had recently joined Stelco. This was Mr. Paul W. Bennington, a former employee of the United States Steel Company who had been concerned with CWS installation at the Gary, Indiana, works of United States Steel. It was known in the steel industry that for some years prior to 1952 the United Steelworkers in Canada had been showing interest in CWS, and hence Mr. Bennington's arrival at Stelco prior to the CWS proposals was not entirely fortuitous. Thus, the company's prior experience of industrial engineering, coupled with Mr. Bennington's practical knowledge of CWS administration, meant that an acceptance of CWS would not leave the company so inexperienced in job evaluation as to be unable to meet the union on equal terms in installing and administering the programme.

However, in addition to strong union pressure for CWS and the knowledge that Algoma, the second largest basic steel company in Canada, had already agreed to the programme, Stelco's favorable financial position is important in explaining the company's eventual agreement. In 1951 the requirements of defence-supporting projects meant that the steel mills were operated at maximum capacity throughout the year and production of steel ingots reached a new record. In December of that year an extra dividend distribution of 30¢ per share, payable February 1, 1952, was declared on both preference and ordinary shares. In 1952, moreover, net

sales to customers were the highest in the company's history.¹⁰ CWS would be costly but the company at this time was in a prosperous condition. In these somewhat propitious financial circumstances, therefore, in 1952 Stelco accepted the Cooperative Wage Study for its whole organization.

In contrast to the earlier case of CWS at Algoma, the Stelco bargaining unit consists of nine separate plants, six in Ontario and three in Quebec.¹¹ Thus the inter-plant and inter-regional nature of CWS at Stelco gives rise to the question of administrative arrangements for installation and continuation of CWS at this company.

In the original installation the company and the union agreed to negotiate job descriptions and classifications at the Canada Works in Hamilton. It was also agreed to use the evaluation results at this plant as guideposts for CWS installation in the remainder of the company's plants. The Canada Works was chosen as the "pilot plant" mainly for the reason that it embraced the largest variety of operations in the Stelco organization.

Furthermore, at the Hamilton Works basic steel plant the procedure envisaged close conformity with the specimen jobs set out in the CWS Manual for describing and classifying basic steel jobs. However, many of the Stelco plants produce fabricated steel, nails, nuts and bolts, and "finished", as opposed to "basic", steel. For jobs in these plants

¹⁰ See The Steel Company of Canada Ltd., Annual Report, 1951, 1952.

¹¹ The wage rates at the Ontario and Quebec plants of the Steel Company of Canada confirm the existence of regional wage rate differentials in Canada. For example, in 1960, the base rate at the Canada Works, Ontario, was \$1.92; at the Notre Dame Works, Montreal, it was \$1.85 1/2.

the CWS Manual at this time gave somewhat less guidance than for jobs in basic steel. It is estimated by Stelco officials that 50% of total CWS job descriptions for the whole organization were jobs in the "finishing" plants. For many of these jobs, rather than relying on the Manual, the parties negotiated their own specimen jobs.

Throughout the entire programme at Stelco plants the United Steelworkers headquarters advised the locals on job classifications and attempted to ensure uniformity of job classes for similar jobs throughout the Stelco organization. A similar attempt at coordination was also attempted on the side of the company. A "correlation procedure", whereby classifications for the whole organization are checked and cleared by the company's chief industrial engineers, was initiated at the start of the evaluation.

Besides the objective of company uniformity in the classification of existing jobs there is also the problem of adjustment to new or changed jobs. In this case, whenever there are new or changed jobs to the extent of one full job class or more, under the CWS procedure new classifications must be negotiated. Thus, a classification which the management CWS Committee proposes to submit to the union committee is first sent to Stelco's Hamilton Works, the headquarters of the organization. Here it is checked by the Industrial Engineering Department to ensure that it is consistent with classifications for similar jobs throughout the organization.

It is apparent, then, that in view of the great size of the Stelco organization in which over 2,700 classified jobs exist, the company is as interested as the union in maintaining uniform classifications to

prevent possible union attempts at upgrading classifications on the basis of one comparatively high, out-of-line classification. It is also true, of course, that apart from the desire to prevent the other party's obtaining a tactical advantage, both union and management desire to maintain consistency in classifications between plants in order to obviate the possibility of creating new inter-plant inequities.¹²

When the company and the union first began job descriptions and classifications it was agreed that "jobs shall be described and classified consistent with and conforming to the set of Specimen Example job descriptions and job classifications agreed to by the International Union and issued for this purpose by the Co-operative Wage Study."¹³ The intention was to make the job classifications as objective as possible. However, both Stelco and the union admit that in practice bargaining on classifications does take place.

It may well be asked how is it possible that bargaining is tolerated in a job evaluation? The term "job evaluation" has, after all, usually been associated with complete objectivity and "scientific" procedure. However, it must be understood that under any job evaluation procedure reliance is still placed upon opinion in job classifications, and that differences will arise on the exact interpretation of the evaluation programme and manual in a specific case. Under CWS particular jobs may fall on the dividing line between two job classes and it is then a matter of

¹²The desire for internal consistency of classifications in multiplant steel companies has also been noted in the United States. See J. Stieber, op. cit., p. 124.

¹³Procedural Agreement on Job Classifications between the Steel Company of Canada Ltd., (Canada Works) and Local Union No. 3250 (December 8, 1952), p. 3.

judgment as to which classification they should receive.

It is such "borderline" cases which justify the CWS procedure of nominating a company and a union referee. In such instances, where there may have been a genuine difference of opinion, the Stelco management CWS committee gave itself the benefit of the doubt and submitted the lower classification of the two to the union committee for review. According to the company, however, it has not been Stelco's practice to pursue a policy of submitting low classifications on all jobs. It was felt that this would lead to union retaliation. The union would have submitted unduly high classifications and prolonged haggling sessions would have resulted. Certainly, the parties achieved a large measure of agreement on the CWS job classifications. None of them were submitted to arbitration procedures and relatively few went to the company and union referees for adjustment.

Nevertheless, in some other companies visited in Hamilton it was admitted that management deliberately submits low classifications to the union as a matter of policy. One company said it submitted jobs on an average of one job class lower than it believed the jobs merited. Another estimated that 50% of its classifications were submitted to the union "on the low side".

Part of the explanation of the resort to bargaining over classifications probably lies in the administrative procedures of CWS. The attempt to eliminate inequities in a plant was not carried out by means of a joint union-management committee in which the two sides unified their separate interests in an attempt to solve a common problem. Rather, the usual bargaining structure was preserved. Two distinct committees existed

and the management committee submitted proposed classifications to the union committee which reviewed them and often suggested amendments.

With such procedure the propensity to bargain would be encouraged, not inhibited. In the final analysis, a dual rather than an integrated committee structure was probably the only workable procedure to meet the situation. In the case of fully integrated committees for union-management cooperation to reduce costs and increase productivity, it is assumed that the parties have a joint interest in certain matters upon which agreement can readily be reached. On the other hand, in the CWS programme the question of job classification leads in the end to the problem of wage rates, a fundamental collective bargaining issue upon which it is assumed that there is bound to be conflict of interest.

In this connection, it would appear that instances on which the committees found themselves several job classes apart on a particular classification were rare. The committees recognized that, in practice, some bargaining was inevitable. The union committee, for example, often tended in the interests of bargaining flexibility to propose that a job receive one job class more than it really expected the job to receive in the eventual agreement. When considering jobs other than the "specimens" set out in the Manual, each committee tended to give itself a little bargaining latitude in the proposed classifications.

It is now proposed to turn to considerations of wage rates and rate structure resulting from the CWS classifications in the Stelco organization.

In its overall effect, CWS brought about a general upward adjustment in the wage structure as a whole. As a result, the majority of

Stelco employees received wage increases. According to union sources¹⁴ the cost to the company averaged 13 cents per hour for each employee, and at the Hamilton Works, retroactive pay increases received from the programme amounted to approximately five million dollars.

At the same time, however, there was some variation in the relative gains of different groups of employees in the organization. On this score it is felt by the union that the greatest immediate gains from the introduction of CWS were secured by production workers. Here the middle (semi-skilled) group found their rates increased substantially. The employees who benefitted least were the already highly paid workers receiving incentive payments.

Within the skilled group itself there was a considerable readjustment of wage rate differentials for certain trade and craft jobs. This is illustrated in the following table which shows the prevailing standard wage rates for certain trade and craft jobs in the Hamilton Works on March 31, 1953, and the job classes and rates for the same jobs on April 1, 1953, the effective date of CWS implementation.

For the group listed in the following table it is evident that the introduction of CWS meant considerable readjustment of wage rate differentials. This is hardly surprising. To have kept every employee in the same relative wage rate position would have necessitated straight "across-the-board" increases, and not an inequities programme.

For this group, the number of rate levels was increased from three to four. Of the eleven jobs listed, nine had stood at the lowest rate level (\$1.83) for the group prior to CWS, whereas only two (carpenters

¹⁴Steel Labor, XVII (September, 1952), 1.

TABLE VIII
STANDARD WAGE RATES FOR TRADE AND CRAFT JOBS
BEFORE AND AFTER CWS

<u>Job</u>	<u>March 31 rate (\$)</u>	<u>April 1 (CWS) rate (\$)</u>	<u>CWS Job Class</u>
Blacksmith	1.83	1.99½	15
Boilermaker	1.83	1.99½	15
Carpenter	1.83	1.91½	13
Armature Winder	1.83	1.95½	14
Wireman	1.83	2.03½	16
Shop Electrician	1.83	1.95½	14
Machinist	1.83	2.03½	16
Pipefitter	1.83	1.91½	13
Welder	1.83	1.95½	14
Instrument Repairman	1.845	2.03½	16
Roll Turner	1.89	1.99½	15

Source: Figures supplied by the company.

and pipefitters) remained at the lowest rate (\$1.91 1/2) for the group after CWS. In the widening of the differential range for the group, two of the jobs (wiremen and machinists) were upgraded by three job classes, i.e., from the lowest to the highest rate level for the group, and, with the exception of the two jobs left at the lowest CWS rate for the group, the remaining jobs were upgraded by the equivalent of one or two job classes. The result was a significant redistribution of differential advantages within the group. This is demonstrated by the fact that roll turners, formerly the highest rated tradesmen of the group, were to be surpassed under CWS by instrument repairmen, machinists, and wiremen, the latter two jobs being formerly among the lowest rated of the group.

Another important consequence of CWS for the tradesmen is, the union believes, the longer-term gains resulting from changes in promotional procedures affecting these workers. At Stelco prior to CWS there were four classes of tradesmen receiving progressional rates depending upon ability and experience. The company assessed the ability of each craftsman and determined the total number of craftsmen receiving each rate. Thus, an employee's chances of entering the highest paid section of craftsmen often depended upon a specific vacancy occurring in that section.

Under CWS procedure, however, specific provision is made for progression through the range of rates for trade and craft jobs. For these jobs there are three rates: a starting rate, four job classes below the standard rate; an intermediate rate, two job classes below the standard rate; and a standard rate. Progression through these rates is by means of craft testing at intervals of 1040 hours of actual work in the trade or craft.

An employee assigned to a starting rate or intermediate rate may, following the completion of periods of 1040 hours of actual work for the Company in the given trade or craft, request and shall receive a determination of qualifications and ability, and shall be reclassified into the next higher rate of the respective trade or craft if such determination discloses that satisfactory qualifications and ability have been developed by the employee during the intervening period of time.¹⁵

The one exception under this rule applies to tradesmen who were receiving the top rate of their particular classification prior to CWS. Such employees are classified at the standard rate of the new classification regardless of their abilities. This arrangement is referred to, in picturesque terms, as the "grandfather clause". However, in the Stelco organization only a small percentage of tradesmen were affected by this clause.

When CWS procedures were first agreed upon at Stelco the company assessed the abilities of each craftsman in consultation with the union and "slotted" him at the level believed appropriate to his capacities. All craftsmen who felt they had been improperly classified were permitted to apply for testing to prove their abilities. Several hundred craftsmen took the tests. The failure rate was high and there were complaints of unfair and difficult tests. In its defence of the tests the company contended that they were designed to prove the ability of the craftsman. The issue became a point of considerable contention between the union and the company, and eventually the question was submitted to arbitration. The arbitration decision upheld the company's position. The onus is on

¹⁵ Basic Agreement between Steel Company of Canada (Hamilton Works) and Local Union No. 1005, U.S.W.A. (November 23, 1956), p. 15.

the craftsman to prove his ability.¹⁶

Nevertheless, although the tradesman must prove his abilities to the company's satisfaction by means of such tests, he is not required to give continuing proof of his abilities by the passing of further tests. This was established in a recent arbitration case between Stelco and the union. The company had instructed three welders who had previously passed tests entitling them to standard rate earnings to submit to these tests once more. Two of the welders took the tests and failed them and the other welder refused to take the tests. All three were downgraded from the Standard rate to the Intermediate rate. The arbitration tribunal held that once an employee has passed the tests and reached the top grade of earnings he is entitled to remain there. The company has no basis for requiring renewed proof of his skills and abilities.¹⁷

In the matter of promotion, then, while the company still determines the total number of craftsmen required, it can no longer set up a standard force within that number according to starting, intermediate, or standard rates. It is theoretically possible that all craftsmen can now receive the top rate. The union regards this as a tremendous gain for craftsmen who now have the opportunity to receive quicker promotion and to progress more rapidly than they had before.

It would appear, therefore, that CWS tended to upgrade the qualifications of craftsmen. Indeed, at the commencement of the programme


¹⁶See Arbitration Report: Between Stelco (Hamilton Works) and U.S.W.A. Local 1005, January 14, 1960.

¹⁷See Arbitration Report: In the Matter of a Dispute between Stelco (Hamilton Works) and U.S.W.A. Local 1005, Re. Standard Rate Dispute of Welders Brand, Gill and Moran, April 19, 1961.

the Company feared that it would have to pay top level wage rates for nearly all of its craftsmen. However, the opinion of management at the Hamilton works, at least, seems to be that the distribution of tradesmen among the various levels is not greatly different now than it was under the pre-CWS arrangements. Initially, tradesmen were very eager to take the promotional tests. But those who failed them eventually came to appreciate that their lack of performance and ability would prevent them from reaching the highest classification. Even with the provisions for trade tests, it would seem that many Stelco craftsmen tended to gravitate towards classifications similar to those which they received in pre-CWS days.

At the commencement of CWS in Stelco, certain unforeseen problems arose in connection with the administration of the programme. A major difficulty was the company's unfavorable reaction to two of the provisions incorporated into CWS agreements. These concerned the rates to be paid to women and to apprentices.

Prior to CWS there existed at Stelco a dual rate structure for male and female employees, the female rates being the lower of the two. CWS procedure provided that only one set of rates should apply to both males and females. Translated into CWS "terms", the union principle of equal pay for equal work required that where a female employee occupied a position having a given job content she should receive the rate of the particular content. Under the CWS programme it was the job itself and not the employee performing it which was evaluated. However, as a result of cost considerations, the company showed extreme reluctance in agreeing



to this provision.¹⁸

Also, the company at first refused to accept the CWS procedure for apprentices. Again, cost considerations influenced management in this respect. With the installation of CWS it would not be possible to pay apprentices lower wages than the base rate obtaining in the plant:

Under the CWS plan, the lowest rate in the plant is the rate for Job Class I. There is not, nor can there be any rate below this. Therefore, no apprentice can be hired below that rate.¹⁹

In the original installation it was such difficulties as these which led to a long delay in reaching the first Wage Administrative Agreement, and help to account for the fact that although CWS was agreed to in 1952, the programme was not completed in all the Stelco works until 1956.

Once the CWS programme had been installed in the Stelco plants, another significant question arose: the submerging of incentives. Incentives became "submerged" when the new CWS standard hourly wage scale was higher than the combined currently prevailing wage rate and guaranteed incentive earnings. In some Stelco plants it is estimated by company officials that 60 per cent of total incentive jobs were "submerged" as a result of CWS. This problem had caused much controversy between the parties in the United States CWS programme. The parties had agreed that:

For incentive jobs where the guaranteed rates are higher than the appropriate standard hourly rates, the existing guaranteed rates shall be cancelled and shall be replaced by the appropriate standard hourly rates. However, for present incumbents on the job, an

¹⁸ See Steel Labor, XVII (October, 1952), 1.

¹⁹ Ibid.

individual "out of line" differential shall be established²⁰

The importance of "submerging" of incentives at Stelco was that it drew the attention of management to the whole question of the effectiveness of incentives on production. It was felt by the company that the "submerging" of incentives did not result in any noticeable fall in production; consequently, the question was raised as to whether incentives really had the "pull" that was often attributed to them.

In view of this result from the installation of CWS, coupled with the fact that with greater automation and technological advance, machines rather than the employee are coming more and more to set the pace of work and the standard of output, Stelco has not favored the re-creation of incentive payment systems, and some of the plants which employed incentives a few years ago have now discontinued them.²¹

Here, then, is another example of the differences between CWS administration in Canada and the United States. In the U.S. many companies under the programme have restored incentives for production workers in response to demands for the opportunity for incentive earnings. The result was that craft workers then complained that they were being unfairly treated as they did not have the opportunity to earn wages equivalent to incentive paid production workers. This led to further incentive plans for craft and maintenance workers. In Canada, however, this trend has been strongly resisted. Management's position is that workers under

²⁰ Procedural Agreement on Job Classifications, between the Steel Company of Canada (Canada Works) and Local Union No. 3250, U.S.W.A. (December 8, 1952), p. 14.

²¹ For more detailed views on Stelco's attitudes to incentives See P.W. Bennington, "Are Direct Wage Incentives Obsolete", Plant Administration, (January, 1959), pp. 51-52.

CWS have a higher guaranteed hourly rate, and as they are not earning less than their previous incentive earnings they should therefore produce at previously demonstrated rates.

In respect to the procedural aspects of the programme, there is the more fundamental question as to whether the joint union-management establishment and administration of CWS at Stelco has led to further areas of interaction between the parties. One writer on job evaluation has concluded that it often "contributes markedly to improved employee relations", and he notes "the by-products of human understanding which parallel the job-evaluation study."²² It is true that in 1954 Stelco agreed to a joint union-management committee to plan and administer such welfare matters as sickness benefits, medical, surgical and hospitalization provisions. However, this does not appear to be primarily the result of greater mutual understanding gained from installing CWS. The union had been pressing for some such committee before the CWS agreements.

Stelco management regards CWS as a purely technical arrangement concerned with wage rate inequities. The installation of the programme was granted by the company as a reluctant concession to the union; it did not involve a wholesale reversal of management attitudes towards union participation in the administration of the enterprise. In other industries where union-management cooperation has led to further areas of interaction, the circumstances have been different from those pertaining in the Stelco case. Usually, cooperation results from the need to solve a problem of which both parties are acutely aware. Also, the

²² See E.J. Bengel, "By-Products of Job Evaluation", Personnel Journal, XXIX (July-August, 1950), 94-99.

suggestion for cooperation usually comes from the side of the management. In the case of CWS, however, the company did not recognize inequity grievances as a serious problem, and it was the union which exerted pressure (which would probably have been backed up by a strike if necessary) to force the adoption of CWS. Moreover, CWS was carried out by separate union and management committees rather than by a single integrated committee occurring under "full" cooperation. Finally, there are few cases of union-management cooperation where the enterprise is prosperous. Most instances of cooperation have occurred because the firms were in an un-sound position.²³ In contrast, it seems likely that a CWS programme involving increased outlays could be introduced only where a company is in a sound financial position.

It is felt by the union, and acknowledged by some management officials, that although industrial relations at Stelco may appear to be satisfactory, there still remains something of the old tensions and underlying distrust between the parties. It has been said in connection with CWS at Stelco that it was "a remarkable example of company-union cooperation."²⁴ But in view of the past history of industrial relations at Stelco, the really remarkable thing was that CWS ever came about at all. Certainly, the conclusion of Harbison and Dubin, stressing the importance of the attitudes of the parties in explaining the character of a company's industrial relations, seems particularly applicable in a discussion of the effects of CWS upon industrial relations. As they put it: ". . . procedural

²³See J. Shister, "Union-Management Cooperation", in R.A. Lester and J. Shister (eds.), Insights into Labor Issues (New York: MacMillan, 1948) pp. 87-115.

²⁴W. Kilbourn, op. cit., p. 201.

devices are much less important than the over-all character of the union-management relationship in determining the kind of collective bargaining which will prevail."²⁵

²⁵F.H. Harbison and R. Dubin, op. cit., p. 209.

Chapter VII

CWS AT DOMINION FOUNDRIES AND STEEL

The Dofasco company is one of the four largest basic steel producers in Canada. It produces pig iron and steel plates and, in addition, makes a variety of products ranging from silicon and enamelling sheets to tin plate and alloy and stainless steel castings. In 1960 Dofasco had a total workforce of over four thousand employees and produced well over 900,000 tone of steel ingots and castings.¹

Since its earliest days the company has been owned and managed by members of the Sherman family. It was founded in 1912 by Clifton W. Sherman and at present two members of the family are directors of the company, one of them, Mr. F.A. Sherman, being Chairman of the Board, and the other, Mr. F.H. Sherman, being President and General Manager.

When the company first began operations in 1912 it was a steel foundry with less than one hundred and fifty employees. The small beginnings of the company together with the tradition of family ownership has profoundly influenced its industrial relations philosophy. In the early years when the company was still small management knew each employee by name and any employee with a grievance had the privilege of having it considered by the company President himself. This so-called "open-door" policy for the airing of grievances still persists today and is a unique feature of industrial relations administration in the company. A new employee is instructed:

¹See Dominion Foundries and Steel Ltd., Annual Report, 1960.

First talk to your foreman about your problem or complaint. If he does not give you a satisfactory answer within a reasonable time you should see your departmental superintendent. If you are still dissatisfied, you should then discuss the matter with the Personnel Supervisor. Finally, you are entitled to see a senior officer of the Company - Vice-President or President. It is your right, as a member of the Dofasco family, to use this procedure with the assurance that nothing will be held against you for doing so.²

Consequently the company's relations with its employees are conducted in terms of "human" relations rather than organized collective relations. Informal, direct relations between management and employees, coordinated by means of a personnel department, are the rule at Dofasco. There are no organized relationships or collective bargaining between the company and a trade union. The United Steelworkers has conducted several unsuccessful attempts to organize employees in the company and periodic surveys are still made by the union to gauge the amount of employee support for the establishment of a trade union and collective bargaining procedures. However, such attempts at unionization have been decidedly unsuccessful up to the present time.

There are several reasons for the unwillingness of Dofasco employees to join the Steelworkers. The "open-door" policy by which an employee can seek satisfaction for a complaint by petitioning the highest executive officers in the company has already been mentioned. Equally important is the well-known Dofasco Employees Savings and Profit Sharing Fund.

Established in 1938, the Dofasco plan is essentially a deferred pension type of profit sharing. Employees become eligible to join the Fund after three years of service with the company. They contribute 5% of their

²The Dofasco Way, (a handbook issued to new employees at Dominion Foundries and Steel Ltd.), p. 27.

salary to a maximum of \$200.00 per year to which the company adds its share. At the end of each year the company pays into the Fund a sum, based on the profit for that year, to a maximum of four times the amount saved by employees during the year. Under the terms of the plan the full amount of an employee's Fund account becomes payable at the normal retirement age. Usually the procedure is for the Company to purchase a life annuity for the employee, or, "where the circumstances warrant it", to pay him his entire cash credit in the Fund as a lump sum. Should the employee leave the company's service before this age he is entitled to all the money which he saved in the Fund, and from 50%-100% of the Company's contribution based directly upon the number of years membership of the employee in the Fund.

As of December, 31, 1960 the total value of the Dofasco Employees Savings and Profit Sharing Fund was \$33,495,605.00. Furthermore, for an employee enrolled in the Fund at its inception, who contributed the maximum allowable amount each year, the total credit in his account on this date would be \$26,152.31. Of this sum, only \$3600.00 would have been paid by the employee out of his wages. Such an increase in the employee's share was made possible through a high rate of company contributions over the years (an average rate of more than 3.2 times the employee's contribution) and skillful investment of the assets of the Fund.³

It is believed throughout the industry that Dofasco's profit sharing plan is a major explanation of employees' lack of enthusiasm for representation by the United Steelworkers. Steel Labor once reported that "company foremen were spreading a story that should the union secure

³See Dofasco Illustrated News, XXV (January, 1961.)

recognition at Dofasco, the company would, in retribution, discontinue its famous 'savings' plan."⁴

However, the company has also discouraged unionization by the practice of keeping its wage rates parallel with those of other steel plants in the area which are represented by the United Steelworkers. In particular, Dofasco tends to match fairly closely the rates paid at the nearby Stelco Hamilton Works. Indeed, at the present time, Dofasco is paying a base rate slightly higher than Stelco - the rates being \$1.95 1/2 at the Hamilton Works and \$1.98 at Dofasco. Thus, the Dofasco practice of keeping its rates in line with union gains at other plants means that employees of the company have benefitted (indirectly) from union activities without being union members.

The employee relations philosophy at Dofasco can be characterized as complete paternalism together with an emphasis on a community of interests between management and employees stemming from the company's "family" conception. Only in the administration of the Profit Sharing Fund, where seven members of a thirteen man committee are elected by employees themselves, are employees as a group given any say in the control of their own working lives. Employee identification with the company is encouraged partly by the emphasis placed upon welfare facilities. The Recreation Department promotes a wide range of activities from rifle shooting to the Theatre Guild. An annual Christmas Party is held for employees and their families and the company often refers to management and employees as the "Dofasco Family". In the event of employee complaints

⁴Steel Labor, X (June, 1945), 7.

and grievances the ever-open doors of the personnel department provide the channel for many complaints which, under the more usual collective bargaining system, might have been submitted to a union.⁵ It would seem that Dofasco is typical of companies with strong family ownership and management interests in which employee relations are conducted on an individual rather than group basis and where employee loyalty and cooperation with management are continually stressed.

In such companies the problem of employee morale is approached by trying to give the workers the same sort of concessions, in things like wages or working conditions, as they might expect to gain through a union. Companies with this idea may plan elaborate benefit programs, pay liberal wages, and improve working conditions; and, along with this, their industrial relations organizations may be expected to impress the workers with the fairness and munificence of management.⁶

It should be stressed, however, that such employee relations do not necessarily constitute a criticism of management. "Traditional" managerial orientation may not be synonymous with stagnation. Dofasco has for long been known as a pioneer in new products and technological innovation in the steel industry. In 1954, for example, the company introduced the Austrian oxygen process of steel making to this continent. By this means, as much as one hundred tons of steel can be made in half an hour. It would, therefore, be untrue in the case of Dofasco to equate "traditionally" oriented management in employee relations, in so far as

⁵ Compare B.B. Gardner and D.G. Moore, Human Relations in Industry (Homewood, Illinois: Irwin, 1952), p. 263: "Personnel departments are often thought of by management as an antidote to unions and as a means to avoid, or make unnecessary, a union organization."

⁶ Ibid., pp. 263-264.

the company still adheres to paternalist concepts, with overall conservatism in company outlook and policy. The company would claim, even, that its profit sharing scheme is no part of traditional labour policy and represents a progressive step in employee relations in that, by promoting employee identification with the company, it is a spur to productivity and better morale.

Dofasco's policy of granting its employees similar wage gains and concessions to those obtained in unionized steel plants was the direct stimulus which led to the introduction of CWS in the company. The decision to install CWS was made by the company soon after Stelco agreed to union proposals for the programme. In Dofasco the CWS wage scale became effective on July 27, 1956. Employees were told:

The Company takes great care to ensure that the wage rate for each job is fair in relation to other jobs in the plant and that the general level of wages in the Company is fair in relation to other firms in this area. Every job is evaluated by means of the steel industry's standard plan, called the Co-operative Wage Study (CWS). This ensures that you will be fairly paid for your work.⁷

CWS was becoming the "standard plan" in the industry and, therefore, although there had never been any job evaluation in the Company prior to this, Dofasco felt compelled to install the plan also.

A subsidiary reason for CWS development was that management hoped it would reduce considerably the many individual wage rate inequity grievances which were continually being submitted to the personnel department. In this latter respect, therefore, the aims of CWS in Dofasco from the company viewpoint were identical with those of Stelco. The scheme was adopted for the purpose of:

⁷The Dofasco Way, p. 16.

(a) Establishing an equitable wage rate structure and related provisions to enable fair compensation for employees and value received in services to the Company.

(b) Providing a procedure for making and maintaining job descriptions and classifications.⁸

The administration of the programme at Dofasco and the differences which exist from CWS procedures in unionized companies will now be considered.

The most notable aspect of CWS at this company is that the programme was set up unilaterally and continues to be administered solely by management representatives. There is no employee representation at all. Instead of the usual two committees of management and employees, respectively, there exists a single job evaluation committee, "broadly representative of the various production and maintenance activities of the plant",⁹ consisting of one departmental superintendent, a plant foreman, the supervisor of wage and salary administration and two other plant supervisors. The assistant personnel manager acts as chairman of this committee. In fact, unlike most companies where CWS is carried out jointly by an industrial relations and industrial engineering department, at Dofasco the Personnel Department ("Job Evaluation Function") was solely responsible for the preparation of job descriptions and classifications, the departmental wage schedule and the effective implementation and maintenance of the entire programme.

A job evaluation expert, formerly employed by Paul Edwards and

⁸"Instructions for installation and maintenance of a revised job description and classification plan for hourly rated jobs", (Dofasco, August 12, 1956), p. 1. - typewritten.

⁹Ibid., p. 8.

Associates, was retained by the company to supply consulting services. He set up a job evaluation training school within the company for all members of plant supervision and, in the absence of a union committee, proceeded to install CWS classifications with the aid of management officials only. It is perhaps significant that CWS classifications exist for production and maintenance workers only in the company. CWS has not yet become firmly established for office workers throughout the steel industry and consequently Dofasco management did not feel the need for CWS clerical and technical classifications.

The administration of the programme in this company is, however, similar in many respects to the procedures at Stelco. The same Cooperative Wage Study Manual is the basis of the programme at both companies. Likewise, the Standard Hourly Wage Scale in Dofasco commences at Job Class I, the minimum rate for the plant, and progresses upwards from job class to job class by equal increments of 6 cents per hour. Also, the principle of an "out-of-line-differential" has been retained. If an incumbent's existing rate is higher than the CWS standard hourly rate, then at Dofasco, no less than Stelco, the employee is granted an "out-of-line-differential" equal to the difference between the two rates. It is estimated by Dofasco management that at the time of CWS implementation approximately 9% of jobs in the plant received such individual differentials. This is considerably higher than the 3% figure throughout the Stelco organization and might reflect greater "individual" treatment of employees at Dofasco.

Procedure regarding new and changed jobs is also similar between the companies. In this respect the arrangements at Dofasco are perhaps superior

to those at Stelco. Whenever the company at Stelco establishes a new job to the extent of one full job class or more, upwards or downwards, a new job description and classification is developed by the company and submitted to the union for approval. If the company does not submit a new classification then the union may file a grievance. At Dofasco the procedure in these circumstances appears to be more rigorous and comprehensive. "Whenever the Company establishes a new job or changes the job content of an existing job, the Foreman or Superintendent of the affected department shall notify the Job Evaluation Function promptly".¹⁰ Moreover, each month a report form is sent by the Job Evaluation Function to foremen and superintendents who list job changes which have occurred in their departments in the past month. Two additional safeguards are also used by the Company to ensure that new and changed jobs do not pass unnoticed. A close watch is kept by the Job Evaluation Function on active projects being undertaken by the engineering department in order to discover which parts of the plant are installing new machinery which might affect the content of an employee's job and his subsequent wage rates. Finally, a job evaluation official attempts to inspect and review personally all jobs in the plant once a year.

It is also to be noted that Dofasco's CWS procedure for incentive paid jobs and the company's experience with incentives under CWS are similar to those at Stelco. The company stated that following the introduction of CWS:

The Company will review all incentive plans following the implementation of the Standard Hourly Wage Scale and adjust or discontinue any existing plan under which the incentive earnings are wholly or substantially

¹⁰Ibid., p. 7.

submerged, i.e., where the straight-time average hourly earnings of the employees under the plan are equal to or less than the standard hourly rate for the job. If an adjustment is made, the amount will be sufficient to provide fair and reasonable incentive compensation to the employees on the job".¹¹

At Dofasco many incentives which became submerged under CWS procedures have not been re-created. The prevailing management view is that the value of incentives as a spur to increased productivity is becoming more questionable as a result of technological advance in the industry and the ever greater machine controlling of processes.¹²

However, in spite of the basic similarity between CWS at Stelco and Dofasco, the very absence of employee participation in CWS at the latter company has led to some important administrative deviations from the usual CWS arrangements.

The most apparent difference between the two companies concerns the lack of any procedure for independent revision and amendments of the job descriptions and classifications set by management at Dofasco. The departmental foreman rather than an independent union is the employee's advocate in this company. Alleged improper job classifications by an employee are first submitted to the foreman, then to the Job Evaluation Function and finally, if necessary, to an executive officer of the company. The traditional appellate procedure of registering complaints through the "line" organization is followed.

It follows that the absence of close union supervision of the CWS programme might suggest that the company would not feel compelled to ensure that its descriptions, classifications, and overall procedures were main-

¹¹Ibid., p. 6.

¹²See p. 41.

tained in strict conformity with those of other CWS plants. A consideration of the CWS administrative procedures at Dofasco shows this to be so to some extent.

The greatest difference in administrative aspects of the programme between Dofasco and unionized plants concerns trade, craft, and maintenance job classifications. In Stelco and other unionized plants a clear distinction on the maintenance side of operations is made between "trade and craft" jobs and what are termed "assigned maintenance jobs". The inherent nature of assigned maintenance work is such that job content requirements may vary from day to day within any given assigned area and as between areas. For such jobs there is a single standard hourly wage rate only, rather than the three rates for trade and craft jobs. In contrast, at Dofasco the assigned maintenance category does not exist and, for example, millwrights who are normally placed in this category are included under "trade and craft" jobs. According to the company there was no history of segregation or special treatment between different trade or craft jobs and, in the absence of union pressure, there was no reason why this procedure should be reversed after CWS installation. Similarly, at Stelco, electricians are subdivided into such categories as linemen and wiremen, whereas at Dofasco there exist no sub-categories for electricians' jobs.

When the CWS classifications and wage scales were first drawn up, employees were informed of their new rates by their foremen. The results of the CWS evaluation were not posted nor were employees given booklets explaining the CWS procedures. If an employee was sufficiently interested he could inspect the foreman's copy of the description and classification of his job.

Thus certain of the procedures written into usual CWS agreements which are of direct concern to an employee, are not incorporated into the Dofasco scheme. For example, it is doubtful whether many employees know of the usual CWS provisions for trade testing in the "trade and craft" jobs. A limited amount of trade testing is employed by the company, but only on those jobs where the results of the tests are felt to be most informative to management. Likewise, the receiving of out-of-line-differentials for present incumbents of changed jobs and the procedure for the paying of "learners" who temporarily replace fully qualified employees depends to a large extent upon managerial discretion.

Again, with the unilateral establishment of CWS it was decided by the company to develop its own benchmarks rather than use those laid down in the CWS manual. In respect of jobs on the company's new oxygen furnaces it was essential to develop new benchmarks. As Dofasco was the pioneer in introducing the oxygen process no relevant benchmark jobs existed. Since 1956 Dofasco has been consulted by members of the Canadian CWS group, to which Dofasco also belongs, for information on appropriate classifications for jobs involving the oxygen steel making process.

It would not be worthwhile to attempt a detailed comparison of job classifications for similar jobs as between Dofasco and Stelco. It is only to be expected that variations between the two will exist as a result of minor differences in job content and working conditions and the absence of union pressure for conformity with the CWS manual at Dofasco. Suffice it to say that a fairly close conformity between the two exists. A survey was undertaken in 1956 by Dofasco to make a rough comparison between job classifications for jobs of the same title between the company and the

Stelco Hamilton Works. It was found that approximately 60% of job classifications were identical between the two companies, 25% were higher at Dofasco, and 15% lower.

In summary, it has been shown that Dofasco is a family firm which emphasizes community of company and employee interests and which shows all the characteristics of paternalism. Fringe and welfare benefits are stressed and the company is decidedly defensive in its attitude towards trade union development. CWS was introduced in conformity with the policy of keeping abreast of major developments in the industry. The one significant gain the company has secured from it is that wage rate grievances to the personnel department have been much reduced. The company admits that it retains "much flexibility" in the administration of the programme. It seems reasonable to conclude that at Dofasco the programme is not CWS as usually understood - a procedure in which employee representatives have equal rights with management in developing and maintaining a more rational wage structure. Rather it is CWS job and rate structure unilaterally implemented.

Chapter VIII

EVALUATION

The Cooperative Wage Study was originally introduced into Canada largely with the immediate aim of solving the specific problems associated with the narrowing of tradesmen's wage rate differentials at Algoma. The United Steelworkers found the programme so successful that in less than ten years it has been extended to cover almost all U.S.W.A. bargaining units for production and maintenance jobs and has become firmly embedded in the whole structure of the collective bargaining process in the industry.

In this study we have considered in some detail the CWS procedures at three companies: Algoma, where the programme first originated, Stelco, the largest steel producer in the industry, and Dofasco, where unique unilateral CWS principles are employed in the absence of a union organization. However, although the evaluation techniques used in these companies are basically the same, the circumstances leading to the adoption of CWS differed. At Algoma inequity grievances appear to have been a greater problem than elsewhere in the industry. The geographical isolation of the Algoma plant leading to union militancy among the underpaid tradesmen who could not easily find better paid jobs in the vicinity goes some way towards explaining the problem of the preponderance of wage rate dissatisfactions there. Thus both union and management in this company had felt the need for a rational system of job measurement. On

the other hand, at Stelco CWS was accepted only after some initial misgivings on the part of management. In contrast, the Dofasco company installed CWS not as a result of employee pressure but on its own initiative. Thus, although the results of the evaluation seem to have been equally successful in that inequity grievances were greatly reduced in all three companies, it is apparent that the reasons for introducing CWS, together with the industrial relations context in which the programme was carried out, were different in each of these three companies. Also, it might be suggested that from the experience at Dofasco the actual job evaluation principles involved in CWS do not necessarily require union assistance in their implementation to ensure the success of a programme to reduce inequities.

However, one of the most notable features of the programme in Canada is that the union rather than management has taken the initiative in shaping union-management relations in this area of wage rate relationships. Systematic bilateralism has taken the place of (often) uncoordinated managerial setting of job rates. Relative wage rates are no longer arbitrarily imposed but are jointly negotiated on the basis of orderly procedures as a sound preliminary to collective bargaining upon absolute wage rate levels. On union insistence, equity has been substituted for expediency in individual wage rate determination and throughout the programme it was emphasized that job evaluation must not be allowed to undermine collective bargaining.

Of equal importance is the union's abandonment of its traditional suspicion of all job evaluation techniques. More astute union leadership supplied with research and industrial engineering services has come to

appreciate the gains which the union can secure from a jointly developed job evaluation. Indeed, judging by the results of the CWS programme, it is apparent that job evaluation is ceasing to be a shield by which a tottering management sometimes attempts to defend itself against wage claims by the union for specific groups of workers, and in the union's hands it is becoming a sword with which to press for ever greater benefits. It is no longer management defensive¹ but union offensive.

It is essential, also, to stress the orderliness of internal and external wage rate relationships which CWS has established. It cannot, however, be claimed that CWS is a "scientific" procedure in the sense that the results of the evaluation can be shown to be based upon such objective exactness that there is no longer any room for judgment. The union is the first to admit that "Job evaluation is not scientific. It is informed opinion as systematically applied as possible in the field of opinion."² What CWS has done, however, is to structure wage rate relationships into an orderly pattern. The constant anomalies in inter- and intra-plant rates which were so widespread before CWS have now been eliminated.

But beyond this basic result is the fact that an employee's wage rates, in relation to those of other employees, are no longer subject to current managerial discretion nor even to the union's skill in bargaining about individual job rates, but are determined by standards which have

¹Compare M.W. Reder, op. cit., p. 379.: "The necessity for justifying wage policies to union representatives . . . has compelled management to seek appropriate and defensible standards for wage-setting [e.g. by job evaluation]."

²Statement by Mr. P. Baskin, former Director of Industrial Engineering, U.S.W.A., Toronto; quoted in L.G. Nicolopoulos, op. cit., p.23.

been jointly negotiated in the past. Therefore, the union in Canada has succeeded in making job evaluation and rate relationships an area of joint interest. The CWS evaluation can thus be seen as an example of the steadily widening agenda of collective bargaining.

This being so, an interesting conclusion concerning trade union wage policy is apparent from this study. It is often believed that unions are much more concerned with the relative wage rates of their members rather than with absolute amounts and that traditional wage rate differentials must remain unaltered:

Workers, in their feelings of satisfaction or dissatisfaction with the wages and other perquisites of their jobs, are concerned not so much with absolute levels of real income . . . as with relative levels, in comparison with other workers in similar occupations.³

However, it has been shown in this study that although the United Steelworkers does compare its base rates with those of other industries, nevertheless the union was for long concerned not with securing appropriate differential rates for its skilled members but rather with raising the base rate of all its members as a primary consideration. In any case, an industrial union which has a large proportion of members possessing only the lower levels of industrial skills will be more concerned with "across-the-board" wage increases than a craft union. Certainly, the United Steelworkers bases its wage policy on a scale of priorities. The attainment of a minimum living standard for the whole of the membership is considered more important than wage differential considerations for certain sections of the membership. Yet the establishment of CWS at Algoma was a

³S. Jamieson, "Labour Problems of an Expanding Economy", Canadian Journal of Economics and Political Science, XX (May, 1954), 145.

direct result of complaints of "shrinking differentials" by tradesmen as a result of the long term neglect by the union of the differentials of important skilled groups within the Steelworkers. Thus, it would appear that the union is concerned with the relative internal rates of pay among its members provided that the minimum wage rate is already sufficiently high to ensure a reasonable standard of living.

It is also notable that CWS has greatly affected the internal organization of the union in Canada. The Industrial Engineering Department, which came into being as a result of CWS, is now one of the most important departments within the union and its advice on wage policy is sought by locals when renewing their contracts with the steel companies. In this respect it is true to suggest that, for the most part, CWS has influenced union organization more than management organization. Some of the larger companies already had job evaluation specialists before CWS and many of the smaller companies did not install a special industrial engineering department after they accepted CWS. Often CWS responsibilities were entrusted to a personnel or industrial relations officer.

Moreover, it is worth noting that criticism sometimes voiced concerning American domination of Canadian unions and their policies is not applicable in the case of CWS. It is true that the Steelworkers in both countries use the same job evaluation principles. However, the pressure for CWS adoption in Canada did not come from international union headquarters in the U.S. It was the specific inequity problems within the Canadian steel industry which gave rise to the programme. The evaluation was carried out solely by Canadian union officials with only infrequent contacts with U.S. representatives and the administrative procedures of

the programme were sometimes adapted to fit the specific objectives and policy of the Canadian section of the union.

From a company viewpoint, it may be suggested that CWS development in Canada reflects the influence of the large enterprise on the direction of industrial relations in the steel industry. Although the union rather than management was the prime mover in the advocacy of CWS, nevertheless the early CWS contracts were secured in the large steel plants of Algoma, Dosco and Stelco, which are the traditional "pattern setters" in the industry. With their greater range of operations, increased rate of innovation and technological change and greater scale of output, perhaps these companies could be expected to have more examples of intra-plant inequities than the smaller plants in which CWS was also applied. Once the big plants in the industry had accepted the union's CWS proposals the smaller companies came to appreciate that their own resistance would be futile in the long run. The point is that the smaller companies may have had less need for a CWS programme to correct intra-plant inequities and that the costs to management of installing it would be disproportionately high in comparison with Stelco or Algoma. Nevertheless, CWS installation was part of union policy and once the "big three" companies had accepted the programme it was only a matter of time before smaller ones were forced to do likewise.

This is not to suggest, however, that CWS does not "work" in these smaller companies. There is little substance in the argument constantly reiterated by management in smaller fabricating and finishing plants in Canada that as the CWS manual was drawn up in the basic steel industry "it won't work here". The fact is that in the original CWS manual

negotiations in the U.S.A.,

After the Joint Committee started to classify the jobs in all the other plants, it was found necessary to negotiate specimens in Lorain, Ohio Works of the National Tube Company; in Gary, Indiana Sheet and Tin Works; in Worcester, Mass. American Steel and Wire for Cable Plant jobs, and in Donova, Pa., for Wire Plant jobs. Later it was found necessary to negotiate benchmarks . . . for Spring Plant operations; Cold Rolling; Inspectors; the so-called Fringe Jobs, including hourly clerks, recorders, weighers, technical jobs; and the laboratory jobs, including Metallurgical Inspectors and Observers.⁴

Thus, the Steel Manual, with its many adjustments since the original U.S. negotiations, is now constructed so as to classify adequately any type of job found in the industry. Besides production and maintenance jobs of all kinds, this includes fabricating jobs, clerical and technical, or any miscellaneous jobs.

It is probably correct to assert that the CWS plan is so flexible in its applicability that CWS principles of evaluation could be used in any type of industry. After all, another popular job evaluation programme, that of the National Metal Trades Association (NMTA), is widely employed in a variety of industries including, for example, the textile industry which is hardly a "metal trade" in the strict sense of the term.

An argument sometimes advanced to contradict the belief in the universal applicability of CWS is that CWS weights "responsibility" factors much higher than any other manual. The steel industry is characterized by a highly interdependent series of operations in which responsibility for the smooth operation and coordination of processes is very important. Thus, in the weighting of factors the CWS manual stresses responsibility rather than skill. A percentage comparison of the maximum

⁴V.D. Sweeney, op. cit., p. 195.

factor weights⁵ attainable under the CWS and NMTA plans reflects this point:

	<u>CWS</u>	<u>NMTA</u>
	<u>%</u>	<u>%</u>
Skill	24.4	50
Responsibility	52.3	20
Effort	11.6	15
Working Conditions	<u>11.7</u>	<u>15</u>
	<u>100%</u>	<u>100%</u>

It is sometimes claimed, therefore, that the CWS plan which accords such high weighting to responsibility rather than skill factors is suitable only for the steel industry.

This argument is, however, somewhat specious. Opponents of job evaluation are never at a loss to criticize the factor weightings of a particular plan. Even the NMTA plan has been criticized for a so-called overemphasis on skill and an underemphasis on working conditions!⁶ It should be emphasized that under CWS skilled jobs receive a high classification because they usually involve high degrees of responsibility also. One writer has gone so far as to claim that "As far as CWS and the N.E.M.A. [National Electrical Manufacturers' Association plan] are concerned, it is possible that their differences are only apparent as skill and responsibility work in the same direction i.e. a job requiring great skill imposes also great responsibility on the incumbent, so that we can vary

⁵See D.W. Belcher, op. cit., pp. 218-222. The exact weightings of the CWS Manual were obtained from union sources.

⁶D.W. Belcher, op. cit., p. 221.

the weight between these two without influencing the final result."⁷

Again, from a long term viewpoint the heavy weighting given in the CWS manual to responsibility rather than skill factors may be of great benefit to the union. With mechanization and the possibility of some degree of automation in the future, it is possible that the skill requirements of the lower levels of employees may decline disproportionately to responsibility requirements. Thus, assuming the continuation of the CWS manual, wage levels would not decline as much as they otherwise might had the manual given greatest weighting to skill factors.

The question of the success of CWS as an industrial relations technique must now be considered. It is evident that CWS, appraised according to the four criteria outlined in the first chapter, enjoys a considerable measure of success.

The first criterion was that the technique should have strengthened and consolidated the collective bargaining process. Throughout the CWS programme negotiation as opposed to unilateralism was continually stressed. This applied even to the establishment of the range of job classifications. In contrast to explicit and overt bargaining on base wage rates and increments it has been shown that there also existed some elements of "submerged" bargaining over the appropriate job classes. However, CWS has been of importance to the collective bargaining process as such in that the classification and rate setting of jobs has been transferred from an area of unilateral, to one of bilateral action. Thus, the scope of bargaining has been extended and the union has accepted new responsibilities of ensuring

⁷J.P. Deschênes, "Job Evaluation", Industrial Relations, XVI (April, 1961), 159.

the adequate maintenance of the programme once it has been installed in a plant. It is no exaggeration to suggest that the durability and long term nature of the programme have helped to consolidate collective bargaining as a permanent relationship between the two parties.

From this standpoint, the importance of CWS is not that it was necessarily a superior job evaluation programme in comparison with established plans which might have been adapted to the needs of the steel industry, but that it was carried out through the collective bargaining framework. In the union's estimation "job evaluation does not provide a substitute for collective bargaining, nor is it the whole answer to collective bargaining problems. But, properly used, a good plan is an important part of the process."⁸

Secondly, it was suggested that a good industrial relations technique considered against a Canadian background should have been voluntarily adopted by the parties themselves. The efficacy of government intervention in the steel industry in Canada has been questioned recently. It has been pointed out, for example, that "The role of Government in no instance of low strike activity . . . appears to be the critical or principal determinant of industrial peace in the industry . . . In Canada, where some form of compulsory governmental dispute settlement machinery is involved, the collective bargaining process reflects this in the generally more intractable and extreme positions initially adopted by the parties as they look toward the eventuality of dispute settlement by Government tribunal."⁹

⁸ Steel Labor, XVII (January, 1952), 7.

⁹ A.J. Siegel, "Steel Strikes and Bargaining Abroad", Monthly Labor Review, LXXXIV (February, 1961), 128.

In this connection, the proposition might also be posed that a voluntarily adopted technique is more likely to succeed and to provide a durable solution to a particular problem, rather than one which has been forced upon the parties by a government agency.

In these respects, then, the experience of CWS in the United States and in Canada stand in contrast. In the U.S. the CWS programme was to some extent a product of wartime conditions and was stimulated by the Directive Order of the War Labor Board. It would also appear that in the U.S. the very sense of urgency associated with this venture led to the speedy installation of CWS with the consequent difficulties involved in securing acceptance of the programme from an unprepared union membership. In Canada, on the other hand, CWS was definitely a product of voluntary accommodation between the parties concerned and government pressures akin to those in the U.S. were lacking.

The ineptness of the government's forcing a particular measure upon an unwilling management or union is well demonstrated in the Ley job evaluation at Algoma and Dosco in 1944. The two parties had been unwilling to negotiate a voluntary job evaluation and thus an evaluation was carried out under the supervision of the National War Labour Board. Yet this measure could hardly be counted an unqualified success. Both parties raised objections to some of the job classifications suggested. Moreover, the scheme did not represent a durable solution to inequity problems. It was a temporary expedient - a stopgap wartime measure.

It was also suggested that both parties should benefit from a "sound" industrial relations technique and that, if possible this technique should further the public interest. It has been shown that both parties did

benefit from the introduction of CWS although, on the whole, union gains were probably more direct and apparent than those of management. The union secured increased wages, more realistic differentials for tradesmen, widespread consistency in job classifications, and a criterion for the more systematic judgment of overall wage rate relationships. The most significant gain to management from CWS has been the very great reduction of wage rate inequity grievances from employees following the introduction of the programme. This is consistent with the findings of other research reports on job evaluation where, for example, it is shown that "The most favorable effects of job evaluation . . . are to be noticed on [reductions in] wage grievances."¹⁰ However, in contrast to management gains from CWS it is also claimed by some management representatives that the steel companies have suffered a setback as a result of CWS in that in the area of wage rate relationships managerial sovereignty and prerogatives have been curtailed. However, the important point seems to be that from a practical standpoint, with the sole exception of Dofasco, had the companies not agreed to equal union rights in carrying out the evaluation a rational wage rate structure would probably not have come about at all. The union would still have strongly opposed any attempt at unilateral evaluation. In this respect, it may not be too much to suggest that management should be less concerned about retaining its "prerogatives" and promoting its own group interests, and should think rather in terms of organizational objectives and of promoting the aims of the enterprise.¹¹ If this view

¹⁰L.G. Nicolopoulos, *op. cit.*, p. 27.

¹¹Compare P.F. Drucker, "The Tasks of Management", in W.L. Warner and N.H. Martin (eds.), Industrial Man (New York: Harper, 1959), p. 190:

be accepted then CWS, even if it has only benefitted management by reducing grievances and thereby enabling management to devote greater time to more important matters, has almost certainly had some beneficial effect in stimulating production.

Regarding the effects of job evaluation from the point of view of the community, this study has shown that under CWS an employee's rates of pay are now considerably less subject to haphazard rate setting or to the success of pressure groups within either the plant or the union. They are now based upon a more logically satisfying system in which attention is given to facts and overall equities. In this respect CWS reflects the growing trend in industrial relations towards administration by rules rather than by arbitrary or capricious decisions, and in its Canadian application it demonstrates that collective bargaining may increasingly become "more routine, more legalistic and more predictable."¹² The programme can be seen as another instance of the growing orderliness of industrial relations whereby problem solving on a piecemeal, case by case, basis is tending to give way to more systematic overall procedures.

Therefore, CWS job evaluation can be interpreted as a programme which may well be of some benefit to the community in that it has led to greater stability in collective bargaining in the sense that the union now plays a more integral part in the union-management relationship, and

"Management must always, in every decision and action, put economic performance first. It can only justify its existence and its authority by the economic results it produces."

¹²H.J. Clawson, "The New Challenge of Industrial Relations", Business Quarterly, XXIV (1959), 166.

to a situation in which wage relationships are established more by reason than by haphazard practices. There now seems less possibility of dissatisfaction about rate relationships culminating in work stoppages, slow-downs, or even "wild cat" strikes. Indeed, one writer, interested in determining criteria for judging "proper" relative wages as a preliminary to a discussion of appropriate national wage policy to the benefit of the public, has gone so far as to suggest an extension of job evaluation techniques across industry lines to provide a comprehensive ranking of jobs throughout the economy. His belief in the soundness of job evaluation rests on the fact that it does "make explicit the criteria of job worth which are being used, increases the amount of information on which judgments are based, and systematizes the process of reaching a final decision."¹³

It might also be speculated that with widespread technological change in the industry in future years radical wage rate changes and alterations in rate relationships will be needed. Possibly the secure basis and framework of the rate structure already provided by CWS will minimize disruptions in the wage structure and, assuming the continuation of CWS, may well make such rate changes as do occur more readily acceptable to employees in that they have been negotiated with the union rather than imposed by management. A technique which aids the peaceful evolution of the wage structure of such a basic industry as steel could well make a significant contribution to the public welfare.

In terms of the above four criteria, therefore, CWS can be adjudged

¹³L.G. Reynolds, The Structure of Labor Markets (New York: Harper, 1951), p. 263.

successful as an industrial relations technique. But this is not to be misled into believing that job evaluation is a panacea for all industrial ills. In the matter of incentive payments, for example, where companies such as Algoma and many U.S. plants have decided to persist with incentives, the re-creation of "submerged" incentives under CWS and, in the United States, the cry of "new inequity" by non-incentive trade and craft workers has created some new difficulties. Nor must it be inferred that a joint job evaluation programme must necessarily work as well in other industries as it has in the steel industry. The history of the wage structure together with the size and organization of the union in this industry were highly important factors in the success of CWS. The existence of numerous wage rate inequities, largely the result of the peculiar organization of the industry, and a strong and secure union backed up by a large and specialized administrative staff have helped to ensure the success of the joint programme. These factors coupled with the still lingering distrust of job evaluation by many unions may help to explain why other unions have not pressed for joint evaluations similar to CWS.

Possible benefits of CWS in terms of extending union-management areas of joint interest are, however, more questionable. The fact is that most companies looked upon CWS as a single purpose device to eliminate inequities rather than as the first step towards more harmonious relationships. After all, CWS was the union's proposal and not management's. Certainly, further "cooperation" by means of joint committees has not been evident as a dynamic, self-generating and cumulative process initiated, in this case, by CWS. However, with regard to the big steel companies, the union believes that CWS has led to a "better understanding"

between the parties at Algoma and Dosco. At Stelco, on the other hand, it contends that the attitude of "top" management towards the union still remains one of sufferance rather than complete acceptance with the result that greater mutual understanding has not been forthcoming. But at the majority of companies the programme has shown to management that union members are capable of sharing and accepting new responsibilities.

Furthermore, a better understanding of each other's position can be gained from the resulting insights from the evaluation into the complexity of the wage problem and the need to base arguments upon reason and facts rather than table-pounding or strategic walkouts. If it is true that "the greatest failure of the parties to collective bargaining has been in not feeling and thinking themselves into the other fellow's place",¹⁴ then CWS will have been a step in the right direction.

Our overall conclusion is that CWS has been an example of "constructive" union-management relations.¹⁵ The programme is not an example of "union-management cooperation" in the strict sense which implies not only conscious joint effort to increase productivity but usually, as well, a fundamental change of policies and goals by both parties. Such fundamental changes in attitudes did not come about under CWS. There was no pooling of separate interests. Management still attempted to cling to its prerogatives and the union still pressed its members claims wholeheartedly.

A definition of the exact nature of CWS would place the processes involved in the programme midway between bargaining, pure and simple, and

¹⁴W.E. Shurtleff, "Union-Management Relations - Cooperation or Conflict?", Personnel Journal, XXVII (March, 1949), 383.

¹⁵Compare F.H. Harbison and R. Dubin, op. cit., p. 203.

completely objective (and unilaterally administered) "scientific management". CWS is not an example of customary bargaining procedures based to a great extent upon strength - the determination of job classes must be negotiated largely upon the basis of a consistent procedure that sets up and maintains a hierarchy of jobs and attempts to attach to each job a rate of pay commensurate with its status in this hierarchy. To this extent CWS is geared more to objectivity than bargaining in that the bargaining elements are necessarily "restrained". But the administrative procedures of the programme do not reflect complete objectivity. The usual type of union and management committees for negotiating the CWS classifications is preserved and a certain amount of bargaining or "horse-trading" over the appropriate job classes is still evident. In respect to union-management cooperation, then, CWS falls midway between unilateral practices and complete union-management cooperation.

Nevertheless, in view of the long history of troubled industrial relations in the Canadian steel industry CWS does represent a significantly progressive development. It might also be added that the success of the programme is a useful antidote to the current concern in industrial relations centering on ever greater productivity and the size of the "cake" to be shared between the parties. The division of the "cake" by such principles as CWS, according to considerations of justice and equity, is also important.

What of the future? The real test of the adequacy of any job evaluation plan is how it will measure up to changing labour market pressures and the technological change concomitant with a dynamic and expanding economy. It is widely believed that proper administration of the

plan should include day-to-day maintenance to compensate for gradual changes that may affect job classifications and periodic overall revision of the plan to take care of the general internal and external changes inherent in a dynamic economy.¹⁶ Maintenance of the CWS programme on a current basis is provided by periodic meetings of the union and management CWS committees in a plant to take care of revised classifications for new and changed jobs. But so far in Canada there has been no attempt to carry out a thorough overall revision of the plan. It seems likely, however, that the relationship between the jobs as initially established will change. Dr. Morgan has shown that the Canadian steel industry "is subject to very sharp fluctuations . . . [and] in addition, the technological changes now taking place in this industry may mean a fairly rapid rate of obsolescence."¹⁷ Consequently, a rapid rate of technological change, eliminating jobs, creating new ones, and altering job content, would mean that the present CWS committees would be swamped with claims for job classification adjustment. Thus, it is likely that to ensure the continued efficiency of the programme some overall revision of the CWS classifications will be needed in the future.

If the test of time is the yardstick by which the suitability of a job evaluation programme is to be judged, then CWS appears to have a very good chance of survival. It has been in use continuously throughout the steel industry in the U.S.A. for fifteen years and in Canada for almost ten. Neither the steel companies nor the union are willing to abandon it. But it should be remembered that in discussing possible future

¹⁶See L.G. Nicolopoulos, op. cit., p. 15.

¹⁷Lucy Morgan, op. cit., p. 37.

repercussions of job evaluation on the structure of industrial relations the greatest danger lies in oversimplification. For instance, it would be too easy to see CWS in a wrong perspective. The programme has accomplished its primary task of bringing order to an often chaotic wage structure within the industry. But it was never claimed that CWS would provide the answer to all collective bargaining problems. Apart from the obvious simplification in contract negotiations of bargaining upon base rates and increments rather than upon dozens of individual rates, the collective bargaining experience of the companies concerned is not greatly different from that of pre-CWS days. Certainly, the application of CWS has not transformed the entire bargaining structure of the steel industry.

Nevertheless, the CWS evaluation within the framework of collective bargaining is without parallel in Canadian industry. It is a significant demonstration that, at least in one area, union-management conflict within the industry can give way to constructive accommodation and, in this case, to a new approach to wage determination.

APPENDIX A

FACTOR REQUIREMENTS AND JOB CLASSES IN THE CWS PROGRAMME*

The essence of all job evaluation techniques is the appraisal of each job in terms of its relative difficulty and responsibility. One of the most popular methods of job evaluation is the "factor comparison method" from which the Cooperative Wage Study draws some of its principles.

The factor comparison method determines the relative ranking of the jobs to be evaluated in terms of a number of critical factors such as mental, skill and physical requirements, responsibility and working conditions. This involves the selection of fifteen to twenty-five key jobs ranging from the highest to the lowest paid jobs in the plant, each of which is then ranked in terms of the above critical factors. These jobs are then used as guideposts in evaluating the remainder of jobs in the plant.

In the CWS evaluation a similar system of job factor requirements is employed. In the Manual for Production and Maintenance Jobs a total of twelve factors is employed: two training factors, two skill factors, four responsibility factors, two effort factors, and two factors relating to working conditions. Each of the factors has a number of levels or degrees which, in the classification of a given job, are to be weighted in accordance with a specified range of point values assigned to the

* Sources: CWS Manual for Job Description, Classification and Wage Administration. J. Stieber, *op. cit.*, pp. 25-40. R. E. Alden, A Co-operative Wage Study (an informational broadsheet issued by the Steel Company of Canada, 1959 - mimeo.)

factor concerned. For example, the first factor, "Pre-Employment Training", is divided into three levels which correspond to jobs requiring persons with unskilled, semi-skilled, and skilled backgrounds. In this case, the specific point values for these three levels of pre-employment training are, respectively, 0, .3, and 1.0. In the same way, the factor "Responsibility for Materials" has five levels defined in terms of value of materials, and these are assigned point values ranging from 0 to 10.

From the viewpoint of the job structure as a whole, the relative weights of the twelve factors themselves are indicated by the maximum point values placed on each factor. These are as follows:

Pre-Employment Training	1
Employment Training and Experience	4
Mental Skill	3.5
Manual Skill	2
Responsibility for Materials	10 <u>20.5</u>
Responsibility for Tools and Equipment	4
Responsibility for Operations	6.5
Responsibility for Safety of Others	2
Mental Effort	2.5
Physical Effort	2.5
Surroundings	3
Hazards	2

Given the factor requirements, the process of classification entails as precise an assessment as possible of the appropriate point value for each factor in the "content" of a job. To gauge the assignment of these point values, there are bench-mark jobs whose descriptions and classifications

are set out in the CWS manual for use as terms of reference.

The term "job class" denotes the total of the point values, rounded to the nearest whole number, which has been assigned to the factor requirements. For example, a job having a total of 11 points is referred to as a "Job Class 11" job. At the present time the highest rated jobs in the steel industry receive a "Job Class 32" classification.

After the jobs have been described and classified, the next step is to assess their money values. The rate structure which results will be governed by two things: the base rate established for the lowest job class, and the rate differential separating job classes, the "job class increment". Under CWS, the job class increment is a fixed sum throughout the progression of job classes, resulting in a "straight line" wage curve. Both base rate and job class increment are determined by collective bargaining. Once these are agreed upon, the rates for all jobs fall automatically into place. Assuming, for example, a base rate of \$1.855 and a job class increment of 5.8 cents, a job falling in Job Class 11, that is, 10 increments higher than one at the base rate, would be paid \$2.435, or 58 cents above the base rate.

The unique element in the CWS plan is, however, the way in which relative factor weightings were determined. In the early experiments with job evaluation in the U.S. steel industry, it was discovered that the application of existing plans, each with its own factor weightings, disturbed the hierarchy of jobs and wage structure traditional in the steel industry. By tradition, many production jobs in steel have had higher rates of pay than craft jobs. But when existing job evaluation plans were applied in the industry it was found that these same production jobs

classified below craft jobs.

When it was found that a plan did not exist which would truly reflect the traditional pattern (for example, the heavy weighting of responsibility factors), a new plan was set up embodying the CWS factors and weightings. These were derived from analysis which used wages actually paid in the steel industry, thereby ensuring that the results would not disrupt the traditional pattern. Consequently, by allowing the past to influence the future wage structure in the industry, the steel companies secured union acceptance of CWS as a basis for negotiations to eliminate wage rate inequities.

APPENDIX B

CWS COMPANIES IN HAMILTON VISITED
IN CONNECTION WITH THIS STUDY*

Bridge and Tank Co. Ltd.

Burlington Steel Co. Ltd.

Dominion Foundries and Steel Ltd.

Donald Ropes and Wire Cloth Ltd.

Robertson-Irwin Ltd.

The N. Slater Co. Ltd.

The Steel Company of Canada Ltd. (Hamilton Works)

* These are not all the CWS Companies in Hamilton but they do seem to be representative in that they include both small plants and large companies, and both basic and fabricated steel plants.

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