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Collective Bargaining Case

Information Shared by the Parties



The company

Plastiques ABC Inc. stands out for the quality of its custom products offered in biodegradable plastic moulding and its use of advanced technology to achieve the largest production capacity in the industry. A culture of innovation has been at the core of Plastiques ABC Inc. since it was founded in 1939. Its value-added technology and products are among the most innovative in North America. ABC Inc.'s values are excellence, innovation and precision.

The company employs a total of fifty-five (55) people, which includes seven (7) support staff employees, thirty-four (34) production employees, ten (10) professional employees and four (4) executive employees. The average age is 46. Women make up 36% of the work force, and men make up 64%.

The creation of Plastiques ABC Inc.

Founded in 1939 by R. Archambault, F. Beaulieu and M. Caron, Plastiques ABC Inc. manufactured household goods such as brooms, brushes, mops and toothbrushes. Relentless in its quest for innovation, the company launched, before 1976, the country's first monoblock chair, the first soft drink crate and the first plastic snowmobile hood. In 1984, Plastiques ABC Inc. became the first Canadian company to earn the Q1 Preferred Quality Certification, and in 1990 it became the first Canadian company to acquire a 3,300-tonne injection moulding machine. In 1993, Plastiques ABC Inc. implemented ISO 9001—a first in the North American plastic processing industry. The same year, Plastiques ABC Inc. launched food packaging containers with a tamper-evident seal. By 1996, the company had also mastered in-mould labelling technology. Today, all of the products manufactured by Plastiques ABC Inc. are HACCP recognized to ensure a high quality standard, particularly for the food industry.



Over the past 30 years, Plastiques ABC Inc. has refined its offer, focusing on four market segments, in which the company proudly positions itself on the cutting edge of technology.

The company wants to continue expanding and plans on putting itself forward as a strategic partner—a manufacturer and distributor of plastic containers with clients in North America, Mexico and Europe—to accelerate growth in North America and develop a presence on international markets. Plastiques ABC Inc. wants to become a market leader in biodegradable packaging solutions for the food industry.

The people at Plastiques ABC Inc.

Support staff

Plastiques ABC Inc. has seven unionized support staff employees who are members of the Syndicat des employées et employés de soutien (SEES) [support staff union], including administrative assistants, the administrative technician and the human resources technician.

The collective bargaining process with SEES has been difficult. Considering the company's acquisition and expansion projects, Plastiques ABC Inc. needs to meticulously manage its financial resources. The accounting firm that acted as a consultant for the company during its project recommended that management maintain a balanced budget and a high liquidity position in anticipation of the upcoming audit.



Furthermore, to meet the growing demand, to ensure a better production capacity and ultimately to increase the company's productivity, new equipment will need to be purchased.

Additionally, for Plastiques ABC Inc. to meet the growing demand and ensure better production capacity that will ultimately increase its productivity, the company will need to purchase new equipment.

Compromises have been requested of employees to ensure the company's good financial health. SEES has not been able to obtain the desired salary increase, but it has made other important gains: flexible schedules (except for those staffing a reception desk), a summer schedule for all (from the week of June 23 to the week of September 1), employees work 32 hours per week but are paid for 35 hours and are off on Friday afternoons, one (1) additional personal leave day and a bonus upon signing the collective agreement. This bonus is awarded based on the number of years of service and is intended to compensate for the fact that salaries will not be increased. All support staff are satisfied with the negotiation led by SEES. The working climate is pleasant, and the relationship between their union and management is very good.

Categories	Number of employees
Administrative assistants	5
Administrative technician	1
Human resources technician	1



Production employees

Plastiques ABC Inc. has 34 unionized production employees who are members of the Syndicat des employées et employés de production (SEEP) [production employee union].

The following chart shows the distribution of job categories:

Categories	Number of employees
Machinists	23
Mouldmakers	7
Technicians	4

Professional employees

Plastiques ABC Inc.'s professional employees are unionized with the Syndicat des employées et employés professionnels (SEEP). The following table shows the distribution of job categories:

Categories	Number of employees
Administration	1
Human resources	1
Financial and material resources	1
Engineers	5
Biochemists	2

Currently, engineers are paid for a 40-hour work week, but they only work 35 hours per week as a competitive benefit intended to attract qualified labour in an in-demand field of expertise.

Executive employees

Plastiques ABC Inc.'s executive employees are not unionized. The following table shows the distribution of job categories:



Categories	Number of employees
CEO	1
Director of human resources	1
Director of financial and material resources	1
Director of innovation, research and development	1

SEEP-employer relations

The company is well established and has been in business for nearly 80 years. It lands large contracts and is constantly innovating. Employees are proud to work for Plastiques ABC Inc. However, bargaining with SEES has been difficult considering the compromises that were asked of employees to ensure the company's good financial health. Everyone is anticipating negotiations with the professional staff. Talks have been ongoing since March, and parties are still far from reaching an agreement.

Relations are respectful and cordial, but the time between meetings undermines the progress of discussion and decisions. The company recently obtained a new contract, and employees are having a hard time meeting production deadlines because the company's aging machinery makes it difficult for them to complete their work. The management team and employees frequently find themselves tackling multiple factory emergencies to fulfill purchase orders. Management is also very busy with the acquisition and expansion project.



The project

Your mission is to advance discussions in order to reach an agreement. The parties want to reach an agreement quickly and without resorting to arbitration. The foundation for relations has been established over the years during each collective bargaining period. This time, the issues are somewhat different due to the particular financial context the company is in. Key topics include:

- Retention allocation
- Work hours
- Overtime
- Non-standard work schedule
- Annual vacations



APPENDIX A

Pay scale

All employees have the same pay grade. There is a 20% bonus for engineers and biochemists because of the labour shortage in these fields of expertise.

Grade	2018-04-01
1	\$41,500
2	\$42,250
3	\$43,500
4	\$44,500
5	\$45,250
6	\$46,500
7	\$47,250
8	\$50,000
9	\$52,250
10	\$54,000
11	\$56,250
12	\$58,000
13	\$60,250
14	\$62,000
15	\$64,250
16	\$66,000
17	\$68,250
18	\$70,000



APPENDIX B

Section on pay scale progression from the previous collective agreement

Advancing to a higher grade

5-1.01 Employees are eligible for advancing to the next pay grade upon satisfactory performance. Notwithstanding the foregoing, to be eligible for advancement to a higher pay grade, employees must have worked in their position for at least three (3) months or the equivalent in the case of semi-annual advancement and at least six (6) months or the equivalent in the case of annual advancement.



APPENDIX C

Section on professional employee retention from the previous collective agreement

Retention allocation

7-6.17 Engineers who commute over (50) kilometres receive retention allocation equal to five percent (5%) of their salary. Retention allocation for reduced-time engineers is calculated based on normal hours.



APPENDIX D

Section on the work week and work hours from the previous collective agreement

Work week and work hours

4-1.01 The standard work week consists of thirty-five (35) hours from Monday to Friday inclusively.

A normal working day is seven (7) hours long, interrupted by an unpaid lunch break of one (1) hour.



APPENDIX E

Section on overtime from the previous collective agreement

Overtime

4-2.01 Overtime applies to work hours performed by professionals at the explicit request of their immediate supervisor and include the following:

1. Statutory holidays;
2. In the case of professionals whose normal schedule is defined in sections 4-1.01 and 4-1.02 of the agreement:
 - Saturday and Sunday;
 - From Monday to Friday inclusive starting from the beginning of the first (1st) hour of work after their normal work day or the work hours performed before the start of their normal work day;
3. In the case of professionals whose normal work week is defined in paragraph a) of section 4-1.03, Saturday, Sunday and anything over thirty-five (35) work hours during the same week, provided that engineers receive the explicit authorization mentioned above and have their overtime validated by their immediate supervisor;
4. In the case of professionals whose normal work week is defined in paragraph b) of section 4-1.03, Sunday and anything over thirty-five (35) work hours during the same week, provided that engineers receive the explicit authorization mentioned above and have their overtime validated by their immediate supervisor;
5. In the case of professionals whose normal work week is defined in paragraph c) of section 4-1.03, anything over thirty-five (35) work hours during the same week, provided that engineers receive the explicit



authorization mentioned above and have their overtime validated by their immediate supervisor;

6. In the case of professionals whose work schedule is established under section 4-1.04 or section 10-3.14, hours worked in addition to the normal work day and during weekly time off;
7. In the case of reduced-time professionals, hours exceeding seven (7) hours in one day or thirty-five (35) hours during one week of work;
8. Travelling done outside of professionals' normal work hours, except for time spent on meal breaks.



APPENDIX F

Section on the non-standard work schedule from the previous collective agreement

Non-standard work schedule

4-1.04 A non-standard work schedule can be established by the CEO when the engineer's schedule must correspond to that of people whose normal work week exceeds thirty-five (35) hours. In this case, all work performed by an engineer that exceeds thirty-five (35) hours per week is paid at the hourly rate designated in section 7-2.08.



APPENDIX G

Section on annual vacation from the previous collective agreement

Annual vacation

4-3.01 Subject to the provisions of this agreement, professionals are entitled to twelve (12) days of annual vacation starting from April 1 of each year.