



LABOUR RELATIONS IN THE SOCIAL ECONOMY

Key Trends

Social Economy Fact Sheet #26

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Birds' Eye View

Person Days Lost by Year

1994: 42,330 days
1995: 20,360 days
1996: 77,380 days
1997: 24,860 days
1998: 78,350 days
1999: 43,640 days
2000: 66,810 days
2001: 34,390 days
2002: 18,000 days
2003: 12,790 days
2004: 50,160 days
2005: 21,120 days

Total for this time period:
490,190 days

Although the literature on labour relations in Canada has largely omitted the social economy, these organizations offer a unique context for the study of industrial relations. With a vibrant civil society, the second largest nonprofit and voluntary sector in the world, and a co-operative sector that includes some of the top employers in the country, researcher Kunle Akingbola finds that Canada provides an excellent context for the study of labour relations in social economy organizations.

In this sector, employees and volunteers are truly the most important asset

Employees in organizations involved in the social economy are a special bunch. Not only are they critical to organizational growth and performance, usually they cannot be replaced by machines or mechanization. Moreover, they are inspired by the values that prompt these organizations to form in the first place, thus deeply embedding employee

commitment and morale in the organization's day-to-day functioning.

Democratic values and sheer necessity tend to create environments where employee experience a higher level of engagement in their decision-making on strategy, another factor reinforcing their commitment to the overall goals of the organization. This means that some of the more negative attitudes evident in for-profit business environments tend not to be present in social economy organizations.

In a complex funding environment, where many core nonprofit organizations now provide services previously fulfilled by government, employees can be a social economy organization's most critical stakeholder. These factors create a unique context for human resources in this sector. Employee engagement challenges are more likely to arise due to lack of participation in decision-making or a sense of failing to meet organization goals, than in terms of wages and benefits. One key point to note is that, overall, wages tend to be rather lower, on average, in the social economy sector than in the private sector.

Work stoppages express unavoidable conflicts that occur when there is a temporary breakdown in the employee-employer relationship. Employees strike to compel employers to address a grievance or demand. Employers use lockouts in an attempt to induce or compel employees to accept their terms.

Methods

Quantitative data came from Ontario's Ministry of Labour (1994–2005) and specifically 196 work stoppages reflecting labour disputes in social economy organizations.

The qualitative data came from Canadian media, ProQuest and other sources, with 25 of 71 media reports dealing with social economy organizations.

Organizations were categorized as:

- nonprofits and co-operatives;
- industrial sector (private, municipal, provincial, federal and various); and by
- mission.

Results

Percentage of work stoppages by field (n=196)

Health: 44.4%
 Public service: 17.3%
 Recreation: 9.2%
 Labour: 9.2%
 Business and finance: 6.6%
 Transportation: 3.1%
 Religion: 2%
 Education: 2%
 Arts and culture: 2%
 Others: 4.2%

Percentage of work stoppages by organization type (n=196)

Nonprofits: 87.7%

Co-operatives: 12.3%

This series is an initiative of the Southern Ontario Social Economy Community University Research Alliance



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Wide variations in organization size and conflicts

An analysis of labour ministry figures found that from 1994–2005, social economy organizations lost 490,190 person days through 196 work stoppages. These involved anywhere from two to 10,000 employees, revealing the wide range of organizational sizes.

Strikes, including four illegal ones, accounted for 91.8% of work stoppages, with three out of four (79%) lasting from one to 60 days. Sixteen lockouts accounted for the remaining work stoppages, with nine affecting organizations with more than 50 employees.

Nonprofits experienced the vast majority of work stoppages (176 in number or 89.9%), while co-operatives experienced just 20 (10.2%). By sector, health care organizations led work stoppages (44.4%), probably reflecting their large size (in terms of number of employees) within this sector. Another interesting and perhaps paradoxical finding is that labour unions as employers experienced the third largest number of work stoppages among social economy organizations.

Wages were cited as the primary or secondary cause in 17 (68%) of the 25 labour disputes. However, in ten disputes, wages were coupled with issues such as condition of service, quality of care or client issues, and funding. There are also examples of labour disputes in which the main issue is reorganization, tied directly to quality of care and safety concerns. Consistent with the findings from quantitative data from the Ministry of Labour, qualitative findings from media reports suggest that most work stoppage were strikes rather than lockouts.

Most work stoppages affected clients. In just three of the 25 labour disputes, the employer used replacement workers or other contingency plans.



In short: Work stoppages in this sector express mission-centred as well as labour-centred concerns

These findings suggest that social economy organizations providing public services, may be more prone to work stoppages than others. Nonprofit research has emphasized the blurring of the boundaries between nonprofits and the public sector and the change the sector has been experiencing over the past two decades.

These factors have pushed unionization rates higher among social economy organizations. Employees seem to be using their collective voice to push for better wages and working conditions, but also as an important channel for advocacy.

While wages may be the primary causes of most work stoppages, these are also intimately tied to issues that reflect the values and challenges of nonprofits, including quality of care, advocacy, and safety. Employees are using their collective voice to raise issues crucial to quality patient care, safety and other concerns.

This trend reveals how important employees consider these issues, amidst the increasingly lop-sided nature of employment relations. They see their organizations suffering from "mission drift," that is, losing sight of their main mission and not achieving the public good that attracted them in the first place.

This reveals an opportunity to shift away from business-oriented unionism and move toward reconnecting unions to civil society movements for social reforms.

To Find Out More

http://socialeconomy.utoronto.ca/english/project_pages/project_26.php