

Elimination of the democratic right of the Newfoundland & Labrador workforce to freely and privately choose on union certification

NLEC position on the amendment to include an automatic certification provision in the Labour Relations Act

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PART I: ELIMINATION OF THE DEMOCRATIC RIGHT OF THE NEWFOUNDLAND & LABRADOR WORKFORCE TO FREELY AND PRIVATELY CHOOSE ON UNION CERTIFICATION

The Newfoundland and Labrador Employers' Council (NLEC) is the lead business advocacy association in the province on matters that impact the employment relationship. Our membership employs greater than 50% of all non-government employees in the province. Our Board of Directors is composed of employment relations professionals who are well versed in collective bargaining and the *Labour Relations Act*. The NLEC was heavily involved in the tri-partite review of the *Labour Relations Act*, providing support to the business representatives of the Employment Relations Committee of Strategic Partnership, all of whom were current or past Chairs of the Board of Directors of the NLEC.

Recent amendments to the *Labour Relations Act* in Newfoundland & Labrador provide for automatic certification of a union if the application for certification contains evidence that at least 65% of the workers have signed union membership cards. This amendment strips employees of their democratic right to a secret ballot vote, thereby eliminating their ability to freely and privately choose on union certification. This legislation significantly shifts the balance of our legislation in favour of organized labour, and will have a damaging impact on the labour relations climate in this province.

The intention of the Government of Newfoundland & Labrador in amending the *Labour Relations Act* was modern, balanced and fair labour legislation. Automatic card based certification will result in increased labour tension and legal challenges, negating this intention.

It is the unequivocal position of the NLEC that the Government of Newfoundland & Labrador rescind the provision for automatic certification of a union where the application is supported by at least 65% of the workers signing union membership cards, and reinstate mandatory secret ballot voting.

Until this provision is rescinded, regulatory changes must be made to protect against the dangers of automatic card based certification. In this paper, the NLEC will outline the rationale for mandatory secret ballot voting as the best method of union certification, the dangers associated with automatic card based certification and recommendations to ensure that the implementation of such a system in Newfoundland & Labrador does not erode the freedom of choice of our workforce or increase labour relations tension.

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Automatic certification is not the desire of our modern workforce

Removal of the right to a secret ballot vote on union certification is a step backwards in labour legislation. In 1977, prior to the introduction of mandatory representation votes in Nova Scotia, all provinces in Canada employed automatic certification for union recognition. Since this time, however, mandatory secret ballot voting has become the preferred method for union certification with five jurisdictions repealing the legislation, including Newfoundland & Labrador in 1994. The rationale for repealing this legislation is that secret ballot voting ensures the democratic right of all workers in a non-unionized environment to choose for themselves, without fear of pressure or coercion from either union or employer, whether or not they would like to be represented by a union.

Conducting secret ballot voting on union certification is actually the preference of working Canadians. In a survey of 1,001 employed Canadians conducted in 2011, 84% agreed with having a secret ballot vote when forming or removing a union from a workplace (Nanos Research, 2011). It is interesting to note that unionized respondents had the highest support level for secret ballot votes, at 86%.

Secret ballot voting guarantees that employees are protected from pressure or intimidation from both union organizers and employers, and ensures that their true opinion is represented. This principle is recognized as fair and democratic in votes of various types, including government elections. Canadians, as evidenced in the Nanos survey, want the same sort of democratic principle that is applied to the election of government officials to be applied to their decision to become part of a union.

The Government of Newfoundland & Labrador recognized the principle of an inclusive secret ballot vote to be fair and democratic by introducing Vote on Offer legislation in *Bill 37, An Act to Amend the Labour Relations Act*, the same Bill in which the automatic certification provision was introduced. This legislation allows the employer during collective bargaining to request (once) a vote of the employees of the bargaining unit on either party's most recent offer. This allows all employees of a bargaining unit to express their true views, in a secret ballot vote, during collective bargaining. The business community is confused as to why, in the same Bill, government would recognize this right of employees to vote on offer but remove this right on the more important decision of union certification.

Organized labour does not represent the majority of working Newfoundlanders & Labradorians

Organized labour represents a declining share of the Canadian workforce. Union density in Canada has been decreasing for decades, and within the private sector now sits at an all-time low of 15.9 per cent (The Conference Board of Canada, Winter 2012). The majority of working Canadians would prefer not to be part of a union. In the 2011 Nanos survey when asked if they would be interested in becoming unionized, 75% of non-unionized workers said they would not choose to be unionized. Nearly six in ten Canadian workers (57.3%) pointed out that given the choice in their current job or formerly unionized job, they would not want/have wanted to be unionized. Research shows that automatic certification

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provisions support union organizing activity, and that mandatory representation vote legislation reduces certification success (Johnson, 1999). To introduce legislation that increases the likelihood of union certification at a time when support for unions is decreasing is a step backwards for our province.

In consulting on changes to labour legislation in this province, the Government considers union leadership to represent the interests of employees. Within the private sector, however, union leadership only actually represents 19.85% of the workforce of this province (Statistics Canada, 2012). Union leadership supports automatic card based certification as it increases certification success, therefore increasing support for their organization. Those most impacted by this change in legislation however, the non-unionized worker, are NOT represented by organized labour.

The implementation of automatic certification provisions that erode the rights of non-unionized employees in favour of organized labour is disrespectful to the majority of the working people of this province. The government of Newfoundland & Labrador cannot allow union leadership, supported by less than 20% of the workforce, to represent an 80% majority of non-unionized private sector workers.

Lack of balance in our labour legislation

Despite the recent amendments to the *Labour Relations Act* pertaining to union certification, there were no changes implemented surrounding revocation of certification/ termination of bargaining rights. Making amendments to certification without applying the same principles to decertification is inconsistent with government's intention of balanced labour legislation

It is the position of the NLEC that legislation surrounding the application for revocation of certification/termination of bargaining rights mirror legislation regarding certification.

Current legislation would require an amendment such that a petition supported by 65% of workers in a unit shall result in automatic revocation of certification/ termination of bargaining rights and require the Labour Relations Board to accept or deal with an application to revoke certification/ terminate bargaining rights at any time.

Union membership cards do not always accurately reflect the will of employees on union certification

Signing a union membership card does not always accurately represent an individual's desire to join a union or have a union certify in his or her workplace. Independent research cites empirical evidence that employees often join rival unions, or join unions twice, indicating that their choice does not necessarily reflect their support for a union but more their fears of being harassed or intimidated by union organizers (Boyer, 2009). There are a variety of factors that impact the signing of a union membership card, including peer pressure or the desire to avoid peer pressure, lack of information on consequences of signing the card, lack of information on union certification overall, intimidation, and misinformation. The secret ballot vote allowed employees a "sober second thought" and the ability to make a fully

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informed choice, in the absence of pressure, from either the union or employer, as to whether or not they would like to be represented by a union. Automatic certification removes this democratic right.

The influence of these factors is evident when you review the applications for certification received by the Newfoundland & Labrador Labour Relations Board in 2010-11 (Table 1, page 5). Of the 27 applications received, one third were rejected. Eight of these applications had a number of union membership cards signed that, on average, represented 73% of the proposed bargaining unit. When a secret ballot vote was conducted, these same 8 workplaces had, on average, 28% of workers voting to certify the union.

It is obvious from these figures that signing of a union membership card does not mean that an individual would choose to be unionized when given the ability to express their true view in the controlled and neutral environment of a secret ballot vote. One case alone with such a significant discrepancy would be enough to call the validity of providing proof of union support through membership cards into question. The fact that one third of the applications received last year resulted in such a significant discrepancy between cards signed and secret ballot votes cannot be ignored.

Table 1: Rejected applications for certification by NL Labour Relations Board 2010-2011

<u>Case File</u>	# Employees Bargaining	% of Card Based	<u>Secret</u> <u>Ballot</u>	Secret Ballot Opposition	% of Secret Ballot
5289	9	100%	1	8	11.0%
5293	30	73%	5	22	18.5%
5294	28	57%	2	28	6.6%
5307	76	74%	30	30	50%
5310**	74	55%	n/a	n/a	n/a
5312	38	61%	7	26	21.2%
5322	119	77%	49	101	32.6%
5325	89	59%	37	52	41.5%
5329	55	84%	20	25	44.4%

^{*}Source: Labour Relations Board Certification data (2010 – 2011)

Until the rescinding the automatic certification provision in the Labour Relations Act, Government MUST put safeguards in place to improve the chances that the actual will of the employees is captured when signing union membership cards/ applications for membership.

Part II of this paper outlines the dangers that exist under a card based certification system, and recommendations for regulatory safeguards to mitigate their impact.

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^{**}Case rejected as was found that application had less than 40% support of the bargaining unit.

PART II: THE DANGERS OF CARD BASED CERTIFICATION

Lack of information

The potential for automatic certification of a union if 65% of the potential bargaining unit signs a union membership card drastically changes the landscape of union organizing activity. Currently, once an application for certification has been made to the Labour Relations Board and prior to the secret ballot vote, employees are properly notified and have access to much more information than during an organizing drive. This access to further information from both the union and employer contributes to the significant discrepancy between the number of individuals who sign union membership cards and those who support unionization of their workplace once a vote is held. The dissemination of information to employees during an organizing drive is now more crucial than ever as this window of opportunity between an application for certification and the vote to be informed on union membership will no longer necessarily exist.

Throughout a union organizing drive, workers are often exposed only to the union's point of view (Mayer, 2005). The employer, the Labour Relations Board, and up to 35% of employees in the proposed bargaining unit may not know the drive is taking place. The focus of the union organizer during an organizing drive is not the dissemination of information but to obtain as many signatures as possible. Prospective members are typically given very little information on the union to form a proper opinion on whether they would like to give up their individual right to represent themselves with their employer in favour of collective bargaining rights. They are rarely given information pertaining to political & organizational goals/mandate of union, by-laws of the union, obligations of the union to the employee, subscription fees/union dues, details of fines and penalties, details of the process of certification and the implication of signing a card. Without access to all relevant information, workers are unable to make an informed decision on whether or not they actually want a unionized workplace.

Almost nine in ten (89%) working Canadians surveyed in the 2011 Nanos poll agreed that employees are entitled to receive information from both the union and the employer regarding the impact of unionization during a union drive. The ability to receive information from both the union and employer during an organizing drive makes the process open and transparent and allows the employee to make a fully informed decision.

In the amendments of Bill 37, the employer's right to communicate with employees in good faith the implications of union certification were affirmed in legislation. The possibility under the amended legislation of a bargaining unit submitting an application for certification that is eligible for automatic certification before the employer is even aware that an organizing drive is underway, however, negates this right.

Recommendation #1a: Implement regulations requiring that the union inform the Labour Relations Board and the employer upon the signing of the first card of a union certification attempt. This notification should include details currently provided upon application for certification, including the

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correct legal name of the employer, the union, and the local number, and a description of the proposed bargaining unit for the Board's use in determining if it is appropriate for collective bargaining.

As there is no requirement to notify the employer or affected employees that an organizing drive is being undertaken it is possible that a certification application be eligible for automatic certification with potential members of the bargaining unit unaware that the drive has even taken place. In fact, it is commonplace for union organizers to avoid asking employees to sign cards that they feel may oppose unionization.

It is also common for union organizers to tell employees that signing a membership card simply ensures they will get to vote on unionization later. It is important that non-unionized employees are informed that this now will not always be the case. In addition, to ensure the true wishes of the employee are expressed in signing a union membership card, they must be aware of and clearly understand the process by which they can confidentially revoke this membership prior to certification of the bargaining unit if they choose to do so. In the absence of a secret ballot vote as a "sober second thought", it is important that their right to revoke their union membership be clearly provided to all employees when signing union membership cards. This is extremely important in the transitional period when union membership cards signed under the assumption that a vote will be held are still valid membership evidence in applications that may be eligible for automatic certification.

Recommendation #1b: Implement regulations requiring the employer to publicly post a notice in the workplace that a union organizing drive is underway, along with information on the implications of signing a card, including the new possibility of automatic certification and the employee's ability to revoke a union membership card.

Lack of stability

The current uncertainty that exists amongst employers regarding the reliability and integrity of the card certification process will cause conflict and unrest in the workplaces of this province during union organizing drives. Research shows that automatic certification increases the level of certification attempts (Boyer, 2009). An increase in union organizing within workplaces results in disruption in the workplace and can create divisiveness due to splitting of employees into pro-union and anti-union groups (SFU Engineering Science - The Labour & Employment Group, 2004). While attempting to persuade an employee to become a member of a trade union at an employer's place of employment during working hours is considered an unfair labour practice, employers report that during union certification attempts employees are preoccupied with the decision and productivity is decreased. The raising of the stakes during organizing drives with the potential of automatic certification will increase the impact of these disruptions.

Currently, union membership cards/applications for membership must be obtained within 90 days before the application for certification is filed. Three months is a very significant period of time for organizing activity to take place given the often disruptive nature of an organizing campaign. Most small

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to medium sized places of employment (of which the majority of organizations in this province fall) do not warrant the need for 90 days of organizing. In addition, modern technology, ease of communication and speed of information no longer requires a three month window of time for this campaigning to take place.

Recommendation #2: Amend regulations decreasing the time frame that cards are valid from 90 days to 30 days.

Lack of transparency

Under the current system, union membership cards and the process of collecting them are controlled by the union. As union organizers have a vested interest in obtaining as many cards as possible, this is an inherently flawed system. In the absence of a neutral third party overseeing the process and a controlled environment in which the cards are signed, there is no way to know if the signing of a union membership card accurately reflects the wishes of the individual employees.

There is currently no legislation regulating what union membership cards should look like. Employers have no access to these cards or to the information contained on them and are therefore unsure if employees were provided with information that clearly indicates the implication of signing a card. Employers in Newfoundland & Labrador report frequent incidences of employees signing cards without knowing, or fully understanding, what it was they were signing.

Policy surrounding proof of support for applications for revocation of certification/ termination of bargaining rights in this province specify that the organizer(s) of the petition should ensure that each page contains a statement of intent explaining its purpose, that each person who is presented the petition is given the opportunity to read the statement, that signing of the petition is voluntary and that the signatures are not gathered during working hours. The same expectation should be placed on union organizers who are gathering signed union membership cards.

Recommendation #3a: Implement regulations requiring standardized union membership cards. These cards should include, in concise and plain language, the implication of signing the card, that it is a legal and binding contract, the details around the union certification process (including the potential for automatic certification) and the employee's ability to revoke the card.

Recommendation #3b: Implement regulations requiring that the union provide the employee with a copy of their constitution and bylaws prior to signing the card. Employees must initial the card to show recognition that they have read and understood this information in addition to their signature and date.

Lack of validity

A card based certification system inherently raises doubts in the minds of employers as the system of obtaining proof of membership rests solely with the union, a party with a vested interest in certification.

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Without a secret ballot vote to verify the wishes of employees, the belief of an employer that fraudulent activities may be conducted in order to obtain signatures on membership cards will cause increased legal challenges upon application for union certification based solely on cards. If automatic card based certification is to be implemented efficiently in this province, it is imperative the system be as transparent as possible and be viewed by employers and employees as reliable and legitimate. In the absence of a secret ballot vote the Labour Relations Board must implement stronger regulations for authenticating signed union membership cards.

There are a number of practices undertaken by the Labour Relations Board to authenticate union membership cards that are not specified in regulations. Other jurisdictions contain more specific regulations regarding the authentication of union membership cards that help relieve doubts existing amongst employers regarding the validity of the card based certification system. The employer community also believes the implementation of additional regulatory checks and balances would strengthen the authentication of union membership cards.

Recommendation #4: Implement regulations regarding the signing and dating of cards. This regulation should include, but not be limited to, specifications that the employee must date the card at the time it is signed, that a card cannot be post dated, that a card cannot be signed by a "proxy", and that the month must be written rather than numerical. The investigating officer must use these regulations in authenticating all cards submitted with a certification application.

Recommendation #5: During the investigation of applications eligible for automatic certification, require the Labour Relations Board investigating officer to conduct random interviews of employees who have signed cards as a mechanism to verify they actually signed and dated the card, and that they clearly understood the implications of signing the card.

Lack of privacy

Automatic certification moves the individual choice on union membership from the privacy of a secret ballot vote to a public forum open to peer pressure and outside influence. While organized labour will argue that informing the employer of union organizing and conducting a secret ballot vote allows the ability for the employer to pressure or coerce employees, the same threat exists for pressure from union representatives during organizing campaigns.

As the main objective of a union organizer is to obtain as many signatures as possible, employers report that employees are often misinformed on the purpose of signing a union membership card. Many employees sign under the belief that they must join the union to work in a particular workplace, or to avail of benefits or pension plans, in workplaces where that is not the case. Due to the major role unions play in access to work in this province, particularly in the construction industry and access to special projects, many individuals feel the need to endorse a union in order to avail of work in their industry.

Stories of aggressive union organizers who frequently visit the homes of workers or place considerable pressure on employees to sign are frequent. Often employees will sign a card simply to get the organizer $Page \mid 10$

"out of their hair" and not in actual support of union certification. These types of aggressive tactics, while they may cause an individual to sign a union membership card for reasons other than support of union certification, are not deemed to be an unfair labour practice.

Union organizing drives also create a snowball effect, where peer pressure becomes a major determining factor of certification success. If colleagues are openly endorsing the certification of the union, it puts serious strain on an individual's choice to join. Going against the grain and not endorsing the union is seemingly a non-option due to the stigmatization that may result.

An individual employee feeling pressured into signing a union membership card lacks resources and support during an organizing campaign. The secret ballot lessened the impact of peer pressure and strong arm organizing tactics because the employee's choice was anonymous.

While our legislation states that trade unions may not use coercion or intimidation with a view to encouraging or discouraging membership, our current legislation does not go far enough in holding unions accountable for such activities. In lieu of a secret ballot vote, it is imperative that safeguards be put in place to ensure that the signing of a union membership card actually reflects support for the union and is not simply a result of peer pressure or organizing tactics, and to hold the union accountable for their actions during an organizing drive.

In Prince Edward Island, Manitoba, and New Brunswick, where automatic certification provisions still exist, the board has the ability to, in any certification case regardless of the number of cards presented upon application, conduct a representation vote for the purpose of satisfying itself as to whether employees in a unit wish to have a particular trade union represent them as their bargaining agent.

In Manitoba, the board has to determine there was no intimidation or coercion by the union prior to approving an application for certification and may dismiss the application or order a vote to determine the wishes of the employees in the unit. Newfoundland & Labrador has no such protection for workers.

Recommendation #6: Implement regulations requiring that if certification applications contain ANY EVIDENCE that wishes for union representation were not expressed freely, were subject to union coercion or intimidation, or that membership cards were obtained through fraudulent activity or illegal organizing tactics, the board MUST order a secret ballot vote to determine the wishes of the employees in the unit or, based on severity, dismiss the application and deem the union unable to reapply for certification for a period of one year.

DOING NOTHING IS BAD FOR OUR LABOUR RELATIONS CLIMATE

Without the democratic and unbiased secret ballot vote conducted by the Labour Relations Board, there is a level of uncertainty amongst employers if the decision to certify is truly reflective of the desire of the majority of their employees. Without certainty that union certification is truly the wish of the majority of the bargaining unit, it is impossible for the employer and the union to bargain in good faith (Boyer, 2009). This lack of faith in the process results in claims of intimidation and coercion, and can damage the labour relations climate of the workplace, starting the union/employer relationship off on the wrong foot. Uncertainty in the labour relations climate is bad for business, and will damage the business investment climate in this province.

The recommendations outlined in this paper, in combination, will mitigate the dangers of a card based certification system. However, the simplest solution to the labour unrest, administrative burden, and uncertainty this legislation has, and will continue to create, is to reinstate the democratic principle of a secret ballot vote on union certification. The NLEC urges the Government of Newfoundland & Labrador to carefully consider the arguments and recommendations outlined in this paper to ensure our workforce maintains freedom of choice on the decision of union certification.

SUMMARY

It is the unequivocal position of the NLEC that the Government of Newfoundland & Labrador rescind the provision for automatic certification of a union where the application is supported by at least 65% of the workers signing union membership cards, and reinstate mandatory secret ballot voting.

Until the rescinding the automatic certification provision in the Labour Relations Act, Government MUST put safeguards in place to improve the chances that the actual will of the employees is captured when signing union membership cards/applications for membership.

Recommended safeguards:

- $oxed{1a}$: Implement regulations requiring that the union inform the Labour Relations Board and the employer upon the signing of the first card of a union certification attempt. This notification should include details currently provided upon application for certification, including the correct legal name of the employer, the union, and the local number, and a description of the proposed bargaining unit for the Board's use in determining if it is appropriate for collective bargaining.
- **1b:** Implement regulations requiring the employer to publicly post a notice in the workplace that a union organizing drive is underway, along with information on the implications of signing a card, including the new possibility of automatic certification and the employee's ability to revoke a union membership card.
- 2: Amend regulations decreasing the time frame that cards are valid from 90 days to 30 days.
- 3a: Implement regulations requiring standardized union membership cards. These cards should include, in concise and plain language, the implication of signing the card, that it is a legal and binding contract, the details around the union certification process (including the potential for automatic certification) and the employee's ability to revoke the card.
- **3b:** Implement regulations requiring that the union provide the employee with a copy of their constitution and bylaws prior to signing the card. Employees must initial the card to show recognition that they have read and understood this information in addition to their signature and date.
- 4: Implement regulations regarding the signing and dating of cards. This regulation should include, but not be limited to, specifications that the employee must date the card at the time it is signed, that a card cannot be post dated, that a card cannot be signed by a "proxy", and that the month must be written Page | 13

rather than numerical. The investigating officer must use these regulations in authenticating all cards submitted with a certification application.

5: During the investigation of applications eligible for automatic certification, require the Labour Relations Board investigating officer to conduct random interviews of employees who have signed cards as a mechanism to verify they actually signed and dated the card, and that they clearly understood the implications of signing the card.

6: Implement regulations requiring that if certification applications contain ANY EVIDENCE that wishes for union representation were not expressed freely, were subject to union coercion or intimidation, or that membership cards were obtained through fraudulent activity or illegal organizing tactics, the board MUST order a secret ballot vote to determine the wishes of the employees in the unit or, based on severity, dismiss the application and deem the union unable to reapply for certification for a period of one year.

These recommendations, in combination, will help to mitigate the dangers of a card based certification system.

However, the simplest solution to the labour unrest, administrative burden, and uncertainty this legislation has, and will continue to create, is to reinstate the democratic principle of a secret ballot vote on union certification by repealing the automatic certification provision of Bill 37.

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