

CAW abandons fight for union at Ontario Wal-Mart

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The Canadian Auto Workers Union has walked away from Wal-Mart's Windsor, Ont., store — the only unionized outlet in the company's North American operations — ending a bitter four-year battle that put the spotlight on labour relations at the world's largest retailer.

The CAW's Retail Wholesale Canada division dropped its rights to

represent about 140 of the 250 employees of Wal-Mart Canada Inc.'s store in Windsor. Union officials did not return phone calls yesterday, but observers suggested the cost of its legal battles were mounting in the face of persistent employee opposition to the union.

The decision is a victory for U.S.-based Wal-Mart Stores Inc., which has vigorously fought unionization efforts, observers said.

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Lawyer George King, surrounded by anti-union employees from Wal-Mart's Windsor, Ont., store, took a reduced fee during the four-year battle to chase the CAW from the outlet. From left to right, the employees behind Mr. King are Mariene Needie, Pam Girard and Ruth Poupard. TED ANDKILDE/The Globe and Mail

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In February, 10 meat department workers in Jacksonville, Tex., voted to unionize — a move that Wal-Mart has appealed to the local labour board. The retailer's German employees are unionized.

Still, some labour relations experts warn that the failure to successfully unionize at Wal-Mart in Canada is by no means a death knell to unions trying to organize other retail work forces.

Shirley Murray, a consultant with J.C. Williams Group Ltd. in Toronto, said she is aware of a number of attempts to unionize at other retailers.

"There's been a sense that they [the union organizers] will more stringently pursue retailers," said Ms. Murray, a former human resources executive at the Toys "R" Us Inc. chain.

The CAW's decision to abandon the Wal-Mart store was set out in a decision of the Ontario Labour Relations Board, which formalized a settlement between the union, the company and a group of about 75 employees who opposed the union.

"No doubt the outcome is not equally satisfactory from everyone's point of view," R.O. MacDowell wrote in the ruling for the labour board. "No settlement ever is. But the resolution to which the parties have agreed reflects labour relations realities, and will facilitate a return to normalcy in this troubled workplace."

"It will provide employees with a period of stability, during which they can repair the rifts which have been caused by the way in which events have unfolded. And there is

no doubt that a period of relative calm is in everyone's interest."

The dispute came in stark contrast to the image that Wal-Mart projects to the world as a big, happy family, reinforced by morale-building slogans and a company cheer — repeated every morning by employees in every store.

Wal-Mart's culture has been cited as a key factor in the company's remarkable growth since it was started 38 years ago by Sam Walton in Arkansas.

The discount chain, based in Bentonville, Ark., operates more than 3,500 stores around the world. Last year, it posted sales of \$165-billion (U.S.) and a profit of \$5.5-billion. It has 166 outlets in Canada, where it set down roots in 1994.

Wal-Mart Canada spokesman Andrew Pelletier acknowledged that sales productivity at the Windsor store has probably suffered from the labour tensions over the years. "Productivity has not been reaching its potential."

But he said it will be "business as usual" now that the union has abandoned the cause. He said good employee morale is critical to a happy and productive workplace.

He also said the anti-union employees conducted their campaign independently of the company.

Over the years, the employee group applied three times to the labour board to try to get the union decertified. And there was a continuing challenge — in court and at the labour board — to the union ratification vote held in December, 1997.

Amid the squabbles, the parties

decided to try to negotiate a settlement late last year.

"Not to put too fine a point on it: The situation was fraught with legal and labour relations problems," the ruling said. "And in the result, the term of the proposed collective agreement expired before it could be determined whether it was valid in the first place."

"Moreover, the union faced the difficult prospect of a further round of bargaining, with its bargaining position and bargaining rights under a cloud."

The union and company faced complex, lengthy and costly legal proceedings to resolve contentious issues, the ruling said.

Marlene Needie, one of the anti-union employees, said in a telephone interview from Windsor that she was "ecstatic" about the resolution.

"It's been a long four years," said Ms. Needie, 40, a "support manager" at the store who earns \$10 an hour and said she has no problems with her working conditions. "It's what we wanted."

A single mother of a 13-year-old daughter, Ms. Needie has worked at the store for four years, but said part of the settlement was not to discuss the issues involved in the dispute: She said it was "rough waters" in the store at the beginning of the dispute, but in the past couple of years "the staff just did their work and went about their daily business."

George King, lawyer for the anti-union employees, said he charged them a reduced fee — the equivalent of their union dues. They never actually paid dues to the union because of the dispute.