

PORT LABOUR-MANAGEMENT: NEED FOR 'REVOLUTIONARY' CHANGE

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Introduction

Labour issues in Canada's ports, as in other ports around the world, have often been contentious. The casual nature in the deployment of port workers and their working conditions continues to be problematic. In the past, port workers had no job security and were hired on a daily basis depending on demand from ships arriving in the port. The cronyism inherent in the hiring halls of the 1930's led to strong maritime labour unions focused on ensuring fairness in their members' working lives.

The ports' work environment is unique. The demand for cargo-handling services follows the irregular pattern of shipping and can be quite unstable, leading to a legitimate concern about long-term job security amongst the longshore forces. Historically, work on the docks was: "hard, dirty, unpleasant and dangerous... the awkwardness and variability of the working conditions, in conjunction with the desire to make the job pay, has led to an almost constant bargaining on the job."¹ Typically longshoremen were hired for their brawn, necessary for lugging and stowing heavy cargo. Often, nepotism on the docks meant that jobs passed on to the longshoremen's' family members, regardless of qualifications. Although some of the worst excesses of working on the docks have been alleviated through union action and subsequent contracts with employers, there still remain in North American and other ports around the world vestiges of hiring variability, undereducated workers and isolated work environments.

Canadian ports act as “landlords” where the port authority owns the infrastructure (docks, roads, container cranes and warehouses) and leases them to private terminal operators for cargo-handling activities. Private terminal operators hire port workers, not the port authority. Daily port operations involve hiring and using longshore forces through a dispatch service, either operated by an association of the maritime employers (terminal operators), or by the unions themselves. Longshore forces tend to be rotated through various terminals reflecting fluctuating demand and their individually certified skills. With the casual labour force system, longshoremen can find themselves being rotated through different terminals dealing with various types of cargo using a range of cargo-handling equipment. In some ports, such rotations occur periodically rather than daily. From the union’s perspective, rotation is important to ensure all members have an opportunity for work in an active terminal to ensure annual compensation is relatively equal.

However, today some terminals maintain a small core of regular longshoremen supplemented with casual dispatched workers on an as needed basis. Other terminals, particularly in Europe operate more like a normal business maintaining a larger core of permanent workers with occasional supplements from dispatched workers pool as needed. For example, Westshore Terminals in Port Metro Vancouver and Ridley Terminal in Prince Rupert both maintain permanent crews.

The dockside workplace is socially isolating with longshore forces operating equipment on their own for long periods dealing with repetitive actions in loading and unloading vessels. The older, more collegial, self-managing “gangs” common in the former break-bulk trades have been replaced with a more dispersed work crew today. The docks also present a difficult work environment with exposure to all manner of external environmental conditions (wind, rain, winter temperatures).

To further reinforce the difficulties facing longshore forces, the casual nature of their employment and rotations amongst terminals means their loyalty tends to be to the unions rather than their employers. In turn, terminal operators using a casual workforce often see them as

expendable labour and thus have little interest in investing in training or other motivational behaviours to improve their skills and loyalty to the terminal. In fact, taking such steps may be detrimental as the better skilled workers could be employed by their competitors to enhance their terminal's productivity. As pointed out by Gaffney and Fadem:

As effective as the hiring hall may be in spreading employment opportunities, it has its shortcomings. Terminal operators are less willing to make training investments in short-term employees. Short-term employees are less likely to become familiar with specific pieces of machinery, company operating practices, or even the work habits of fellow workers. It is difficult to form a cohesive team when the faces are continually changing.²

The casual nature of longshore forces coupled with concerns over job security, lack of employment continuity, limited training, job isolation and union loyalty has led to union militancy in the past. This militancy resulted in strikes and work-to-rule campaigns dropping the port's productivity and leaving a negative impression in the minds of the shipping lines and shippers using the port.

Adding to the potent mix of casual work and union militancy was the general perception that dockworkers were uneducated, brute strength workers that "led many to consider them as inferior members of society. Reinforcing this image were problems of pilferage, gambling, and drinking which were rampant at the Port of Montreal."³

Although steps have been taken to improve port labour management, evidence persists of patronage and the continuing perception of longshore forces as uneducated and expendable labour. One step was to organize the many terminal employers into an coordinated employer's association (such as the British Columbia Maritime Employers Association [BCMEA], the Maritime Employers Association [MEA] in Montreal and in other East Coast ports) to negotiate with the various longshore unions (the International Longshore and Warehouse Union [ILWU] on the West Coast and the

International Longshoremen Association [ILA] on the East Coast and Great Lakes).

Another important step was the decasualization of the longshore forces. In some cases, a guaranteed annual payment was provided to registered longshoremen, while in others, steps were taken to set up a rotation system to ensure all longshoremen received reasonable compensation on an annual basis. The concept of guaranteed payments for longshoremen had its genesis in the US West Coast's 1954 "mechanization and modernization" agreement in which the labour unions recognized the impossibility of "beating the machine." This agreement established a fund to support workers made redundant by technological change until natural attrition and early retirement reduced their numbers to the required amount.⁴ In Montreal, the MEA negotiated a 37-week job security program supported by an assessment on tonnage handled by the port.⁵ This program eventually evolved into a guarantee of 1,600 hours of work over a forty-week job-security season.⁶ This guaranteed payment is zealously protected by the ILA and continues to this day.⁷

Current Labour - Management Situation

In December 2009 and January 2010, I undertook a survey of a selected sample of North American dry bulk terminals and maritime employers associations to review their training of dry bulk workers.⁸ This survey was conducted on behalf of UK colleagues in their worldwide review of dry bulk worker training for the International Labour Organization (ILO). The ILO is contemplating the development of standard dry bulk training modules for use in ports around the world modelled after their successful Portworker Development Programme (PDP) training material for container terminal workers.

Initially, the survey material and questionnaire was circulated to a number of dry bulk terminals in Canadian and US ports. But we received little response. In discussions with the Saint John Potash Terminal, it became apparent that the training of dry bulk workers, if any, is undertaken by the relevant maritime employers association

rather than by terminal operators. This finding is similar to that of an earlier survey of North American container terminals in the early 1990s.⁹

Currently, on the West Coast, the BCMEA provides training for ILWU members, while the MEA provides training for the ILA in Montreal, Trois-Rivières, Toronto and Hamilton. The situation is similar on the U.S. West Coast with the Pacific Maritime Association (PMA) providing training to ILWU members in all ports along the coast. Discussions with other maritime employers associations' revealed a similar approach elsewhere.

The employer associations provide training services to their private terminal operator members on a fee for service basis. Typically, the employers' associations offer a combination of recruitment, training and dispatch services.

Although training is done on a comprehensive basis by the BCMEA and the MEA, one respondent pointed out that in some ports it is "haphazard at best." In most cases, union members serve as instructors for the actual training. Many, but not all union instructors have been certified as trainers at an appropriate educational institution. In the major ports, the employers association maintain a degree of oversight on the training being provided. Some employers associations have concerns about the quality of training being provided.

When asked about the use of external institutes for training port workers, most employer associations indicated that this could not be done as the unions wanted to keep the training internal to ensure employment for their members as instructors. In one U.S. case, union instructors came from recently retired members who had the experience and interest in training younger workers. In the BCMEA case, ILWU instructors undertake normal training of longshore workers. But in the case of specialized training such as rail track maintenance or new operations on specialized equipment, external resources are used, as the ILWU instructors are not certified for this instruction.

The training provided by employer associations focuses on the basics – ensuring the longshoremen can safely operate the equipment to prevent damage to themselves, others, cargo, the equipment and the environment. Productivity gains and the efficient use of equipment are left to the terminal operator to encourage. For example, the target for equipment certification in Montreal is achieving 75 percent of average productivity. The expectation is that with terminal experience operators will reach or exceed the average.

However, things seem to be changing. As terminals introduce new technology and sophisticated equipment, unions are getting away from their former belief that longshoremen are able to do anything within the port. For example, in Los Angeles there are 15 container terminals with each operator seeking to gain an advantage over their competitors. A competitive advantage is often achieved through the acquisition of new, proprietary software systems and automated equipment. This leads to the need for higher trained workers. But the problem facing these terminal operators (and terminals in other ports) is that once a longshoreman is trained to handle the new equipment, there is no guarantee that he or she will return to that specific terminal. The terminal operator is then forced to pay higher wages and benefits to attract these higher skilled workers, which leads to an upward spiral in labour costs.¹⁰ As discussed previously, BC's Westshore Terminal and Ridley Terminals have dealt with this problem by maintaining their own dedicated work forces.

The general basic training provided in ports typically includes some form of induction training, primarily focusing on safety. Subsequent higher-level training to operate specific types of equipment depends on demand, as the employer associations' objective is to ensure there are appropriately sized pools of certified operators for terminal use. As workers leave the pool (retirement, resignation, disability or promotion to other equipment), then the required numbers of replacement workers are trained. The selection of who is trained is based on seniority first and then on ability.

The extent of initial training varies in length. For example, the MEA provides a four-day induction course for general longshore labour (safety and non-equipment handling issues in the terminals).

The poor quality of North American longshoremen in terms of education and literacy was surprising. Most unions accept less than high school leaving as the minimum entrance requirement. For example, the current ILWU entrance requirement on the West Coast is grade 10. In a literacy test among BC longshoremen applicants several years ago, some 30 percent failed to achieve a grade 8 level. These failing applicants were not hired as longshore workers. Further, in BC, incoming workers do not need to have a driver's license. Thus the BCMEA has to train and certify all workers to operate a fork lift truck (the basic equipment level) prior to any further training on other more sophisticated cargo-handling equipment. The ILWU argues that longshore forces do not need a driver's license, as they will only be operating equipment on the port's property rather than on public roads.

An even worse situation occurred in U.S. West Coast ports where the PMA undertook entry level testing for some 3,000 casual workers and found that for the bottom 60 percent, reading and comprehension was at the grade 7 level. On the other hand, however the PMA pointed out that due to the relatively high wages paid to longshoremen in the past, there are many well-educated workers (including some with doctorates) amongst their ranks. In Montreal, the ILA entrance requirement is grade 9. The MEA is striving to increase this to high school leavers (grade 11 in Quebec). The MEA estimates about 5 percent of the longshore workforce are illiterate. They have had problems with individuals who were unable to read the training manuals and required verbal presentations. Their certification evaluations were also undertaken verbally. These low entrance education levels likely reflects the ports' earlier era of "brawn versus brains."

The lower levels of education of longshore forces do not bode well for the future as terminal operators are increasingly acquiring more sophisticated and automated cargo handling systems. For example,

Vancouver's Westshore Terminal is in the process of increasing its coal handling capacity through the acquisition of new equipment.¹¹ Similarly, Neptune Terminals is upgrading its potash handling facilities.¹² Fortunately, as pointed out by several survey respondents, the younger entrants to the longshore forces tend to have better computer skills and the educational bar will likely continue to be raised over time.

Despite the computer abilities of younger employees, there is a general concern about the computer literacy of the longshore forces. The BCMEA pointed out that automated equipment in the terminals is purposely "dumbed down" to simple controls – "off/on" – due to the apparent lack of computer competency among the port workforce. The need to introduce computing technology to an undereducated workforce is problematic. The ongoing problem of computer literacy amongst older workers reflects a critical need for further training in this area. This need is especially acute for the MEA who are moving towards on-line dispatch and course delivery. Further, the MEA is aiming to introduce paperless certification and a computerized personal library file for each ILA worker.

A further difficulty in labour/management relations arose over territorial jurisdictions in offering training programs. On the West Coast, both in BC and in the U.S., this issue is so serious that training must be done within each union local's territorial jurisdiction. In Vancouver this means the BCMEA installed crane simulators in Burrard Inlet and at Roberts Bank (Delta Terminals). The same situation exists with the PMA in the U.S. Longshoremen working in those ports only use the crane simulators set up in Tacoma and Oakland. The ILWU argued that if simulators are important training tools, then the PMA should set them up in each port (regardless of the \$1 million+ cost for each simulator). On the other hand, the situation seems more reasonable on the East Coast with the MEA's crane simulators in Montreal being used to train longshoremen from their other affiliated ports (Hamilton, Toronto and Trois-Rivières).

The survey respondents indicated that future training needs to be focused on automated systems for inventory controls, remotely

operated equipment, RFID systems, automated terminals, intelligent software and so forth. From a training perspective, most respondents spoke of the need to move to on-line web-based course offerings, and the use of remote digital evaluation and paperless certification. Moving to on-line dispatch services will likely encourage greater acceptance and use of computerized approaches by all longshore forces. Finally, many respondents indicated there is a need for further training for the union instructors, in other words a need to “train the trainers.”

A surprising finding is the apparently negligible role that port authorities play in the training of the longshore forces. It appears that the port authority’s third party standing in labour negotiations between the unions and the employer association has allowed port managers to leave labour issues to the terminal employers and their associations. While this may reflect the legal position of the port authority, they are typically exposed to criticism when the public and other stakeholders call on the port CEO to settle labour disputes. In the past, some ports have taken a more interventionist approach by creating tri-partite committees (authority, employers and union members) to deal with issues as they arise. For example, in Saint John, in the past, a tri-partite committee travelled to visit other facilities to see how new technology was being introduced and used to improve port performance.¹³

Steps to Improve Port Labour-Management Relations

So how does one motivate a worker who thinks he works for the union and not for the company... who does not have steady employment with any one company, but changes jobs from one day to the next... whose pay check comes from a multiemployer group and can't be identified with any one employer to whom he could possibly have some loyalty and allegiance ... who is frequently deprived of training?¹⁴

Motivating port workers involves many steps including: employment continuity, effective communication, team building, training and participation in management issues.

Employment continuity

Having dedicated workers means that terminals would normally compensate them directly rather than having their pay checks issued by a more distant employer association. This would be a step towards encouraging employee loyalty to the terminal.

A further benefit of having dedicated terminal workers is the possibility of moving to a two- and three-shift operation to boost the productivity of Canada's ports. Some North American ports are out of step with many ports around the world that operate 24/7. Canadian port capacity could easily be increased through multiple shifts (rather than by building more terminal facilities). Longshore unions oppose multiple shifts, possibly due to the loss of overtime benefits, but smaller workforces in separate terminals might be amenable to improving productivity through shift work with appropriate compensation.

There is a need for terminal operators to reflect on the experiences of Westshore, Ridley and possibly other terminals to determine whether they appear to obtain enhanced productivity from the long-term employment of their workers. Further research on these types of terminal operations is essential in determining the appropriate approach for Canada's on-dock terminal operations.

Communications

One of the most effective ways of enhancing labour-management relations is increasing the terminal operations "transparency and openness" through effective communication. However, given the competitive environment in which many terminals find themselves, such openness cannot be undertaken with employees unless they are long-term and loyal. Effective communication has an affect on a worker's attitude towards the job and the terminal. A worker who has a good relationship with management is likely to have a stronger bond with the terminal. Longshoremen who feel comfortable speaking with managers are more likely to make productivity improvement suggestions. When labour-management issues arise, terminals with strong communication lines are usually able to discover and deal with

the problem sooner than those without a stable labour-management communication system. Good communications also means management has an improved feedback system to and from the workers. In the complex ports world, lines of communication between union, management and workers needs to be open and strong.

Motivating port workers

Management literature on employee motivation is replete with steps to encourage workers to be involved in their organization, understand the challenges facing their industry and suggest innovative ways to improve productivity. Despite the challenges of today's complex port environment, similar approaches can be taken in Canadian ports. In the late 1980s and early 1990s, I published several articles on port worker motivation in port-related trade journals, but apparently to little avail.¹⁵

The whole issue of motivating port workers emerges from Maslow's earlier Hierarchy of Needs and Hersey and Blanchard's Situational Leadership model. In the first case, Maslow argued that human motivational needs can be defined as five steps in a hierarchy from deficiency needs (physiological, safety and social) to growth needs (esteem and self-actualization).¹⁶ The Canadian ports community seems to focus on satisfying the longshore forces deficiency needs by ensuring they have adequate annual compensation, providing safe equipment, and enabling them to belong (social needs) through their unions. Their personal growth needs in terms of self-esteem by receiving recognition and appreciation for their contributions as well as their need for self-fulfilment is often missing in today's ports.

Team building

Another important aspect of port worker motivation is team building. Teams can be created by having longshore forces form part of a group that can have a say in how things are done, not just doing a job. Rotating dispatched longshoremen through various terminals makes it difficult to create the social bonds essential for building teams. One approach for terminals to consider is the creation of "quality circles" – groups of volunteers from different functional areas getting together to address organizational and operational concerns. An added benefit of

workers coming together with managers to discuss problems is the development of trust and improved communications. Teamwork implies there is a role for longshoremen in helping to shape their own destinies within the terminals.

Training and career development

Education and training is key to supporting longshoremen in coping with changes being introduced due to automation and new technologies. It is also important to train managers at all levels to deal effectively with labour issues. Managers cannot be expected to perform tasks for which they have not been trained anymore than can a longshoreman be expected to operate new equipment without appropriate training and skills.

Along with improving job skills, training has other benefits such as improved morale, enhanced work relationships, increased openness and a greater degree of trust of management. Training helps employees adjust to change, encourages personal growth, facilitates communication and eliminates the fear of new tasks.

As discussed above, maritime employer associations generally provide skills training to longshore forces through centralized facilities taught by union instructors. Several survey respondents commented on their concerns about teaching abilities of union instructors. Steps are needed to enhance the pedagogical quality of the teaching materials and the instructors' training abilities. The BCMEA has recently taken steps in this direction by revamping its curriculum material, shifting to a competency-based program from its former time-based one.

There are ample port training materials available on an international basis. Both the United Nations Conference on Trade and Development (UNCTAD) and the International Labour Organization (ILO) have developed and distributed various forms of port training and education material.¹⁷ This port training material deals with specific skill development as well as broader educational objectives such as ensuring an understanding the overall port business, the nature of international trade and the global economy. These broader

educational elements ensure the port workers know what they are doing and why they are doing it – again enhancing motivation. It was surprising to find in the recent PDP2 survey of North American terminals and employer associations that none offered any training elements dealing with broader issues. Several respondents indicated that these topics were management issues and not appropriate for labour training. If we wish to improve labour-management relations in Canada’s ports, such narrow-minded thinking needs to be replaced.

Federal Role

The Federal Government, similar to port authorities, is an interested third party in the labour negotiations between the private terminal operators in their employer associations and the longshore unions. The Minister of Labour can apply moral suasion on the parties to get them to settle disputes, but is limited to legislative actions aimed at intervening directly. The question is what can the Minister of Labour (and the Minister of Transport) do to address contentious port labour issues?

Changing current labour-management relations on the waterfront from casual labour to a terminal operation with a larger dedicated work force will not come about quickly or easily. Both management and labour will likely be reticent to adopt what many will perceive to be “revolutionary” change. There is a very long history underpinning the current casual system, and unions will likely be fearful of the longer-term employment implications of change.

But such change is essential if Canada, as a trade dependent nation, seeks continued economic growth. From a federal policy perspective, the government continues to pursue free-trade agreements with other countries around the world. The success of these agreements is predicated on efficient and productive ports handling growing bi-lateral trade. Thus, the federal government can no longer accept less than fully productive facilities and terminals in Canada’s major ports. Increasing productivity means a change in the way things are done by Canada’s marine terminals and longshore forces.

To achieve this “revolutionary” change on the waterfront, the federal government along with port authorities need to demonstrate clearly to all parties the benefits to be achieved – on both an individual and a commercial basis. Successful case studies from other developed country ports as well as appropriate study tours can help alleviate anxieties from all parties.

A period of “revolutionary” change in port labour-management relations can be an exciting time – one full of challenges and opportunities. With good will, sound trust, and an acceptance of reasonable compromise, significant improvements in Canadian port productivity can be achieved.

Conclusion

It is apparent that over the past few decades that little seems to have changed on Canada’s waterfront to improve labour-management relations. The more inclusionary motivational approaches used by many organizations appear to be absent in the ports industry. Changing the nature of port labour-management relations is a major challenge – one that demands open dialogue and trust between employers and the unions. Some West Coast terminals have acquired a dedicated work force, but they are not members of the BCMEA. Perhaps these two terminals (and possibly others in Canada and the US) offer models that could be emulated by other terminal operators.

There is a real need for a revolutionary change in labour-management relations to bring employers and port workers into the 21st century through motivation, training and including port workers as participants in the terminal management process to improve the quality and productivity of Canada’s import and export activities. Taking steps to enhance the quality of Canada’s longshore forces is essential to ensure our continued competitiveness to meet the challenges of our increasingly integrated global economy.

Endnotes

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- ¹⁷ A review of this material can be found in M.C. Ircha and B.J. Thomas, 1993, "Systematic training for maritime transport managers", *Maritime Policy and Management*, 20:2, pp. 163-172.