The Labour Relations Board Saskatchewan

UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 1400, Applicant v. HOMETOWN CO-OPERATIVE ASSOCIATION LTD., Respondent

LRB File No. 185-12; February 20, 2013

Chairperson, Kenneth G. Love, Q.C.; Members: Mick Grainger and Hugh Wagner

For the Applicant Union:

Ms. Dawn McBride
For the Respondent Employer:

Ms. Meagan McCreary

Under-Inclusive Unit – Union applies for unit of employees which the Employer says is an under-inclusive unit. Evidence shows that Employees at 3 of 4 locations have similar community of interest – Board declines to certify under-inclusive unit.

Appropriate Unit – Board considers criteria for determination of appropriate unit – Based upon its consideration of those criteria, Board determines that a larger, more inclusive unit is appropriate.

REASONS FOR DECISION

Background:

[1] United Food and Commercial Workers Union, Local No. 1400, (the "Union" or "UFCW") applied to the Board to be certified as the bargaining agent for:

All employees of the Hometown Co-operative Association Ltd., at its Broadview location, Broadview, Saskatchewan except: General Manager, Store Manager, Assistant Store Manager, Bakery Manager, Meat Manager, File Clerk, Agro employees, Service Centre employees, and those above the rank of Manager. [Emphasis added]

[2] This proposed unit was opposed by Hometown Co-operative Association Ltd. (the "Employer") on the basis that the bargaining unit applied for by the Union was not an appropriate unit of employees and was under-inclusive. The Employer proposed that the following unit of employees would be appropriate for collective bargaining:

All employees of the Hometown Co-operative Association Ltd., at its Broadview location, Broadview, Saskatchewan except: General Manager, Store Manager, Assistant Store Manager, Bakery Manager, Meat Manager, Produce Operator, File Clerk, Hardware Supervisor, confidential Administrative Support, Agro employees, and all Students, and those above the rank of Manager. [Emphasis added]

[3] At the hearing of this matter on December 21, 2012, the Employer withdrew its objection to the inclusion of students within the bargaining unit.

Facts:

- [4] The Employer operates from four (4) different locations within the Town of Broadview, Saskatchewan. It also operates in two (2) locations in the Town of Grenfell, Saskatchewan. Only the Broadview locations are the subject of this determination.
- [5] The locations operated by the Employer in the Town of Broadview, Saskatchewan are:
 - A grocery store at 617 Main Street, Broadview, Saskatchewan
 - A convenience store and gas bar on #1 highway south in Broadview, Saskatchewan
 - An agro centre and bulk petroleum operation at 200 Main Street, Broadview, Saskatchewan
 - ➤ A service centre at 628 Main Street, Broadview, Saskatchewan
- [6] The parties agreed that the Employer would present its evidence first. Ms. Carol Nickell, the General Manager of the Hometown Co-operative Association Ltd., testified on behalf of the Employer.
- [7] Ms. Nickell described the activities of the various business locations in Broadview as follows:

Grocery Store

Sells Groceries, Produce and Meat.

Service Centre

Sells Hardware, Feed, Oil, Large Appliances etc.

Gas Bar

Card Lock gas service, Convenience items.

Agro Centre

Chemicals, Fertilizer, Pesticides, Grain Bins etc.
Advises Farmers on soil conditions, chemicals and fertilizers
Advisors provide "on farm" consultations, soil testing and crop advice.

- [8] Ms. Nickell testified that the Grocery Store and the Service Centre were directly across Main Street from one another. The Agro Centre was some distance away along Main Street and the Gas Bar was located on the town limits on Highway No. 1.
- Ms. Nickell also described the duties of the employees at each of the locations, except for the Agro Centre. At the Grocery Store, there were four (4) classes of employee. These were Senior Grocery Clerk, Junior Grocery Clerk, Students and Meat Clerk. The Junior Grocery Clerks stocked shelves, faced shelves, did cleaning as necessary, and ran the tills. The Senior Grocery Clerks did all of the duties of the Junior Clerks as well as receiving shipments, supervise and direct the Junior Clerks, and load stock carts. When employed as cashiers, these employees ran the tills, cleaned the till areas and corralled shopping carts. Students ran the tills, stocked shelves and helped out as needed. The Meat Clerk was responsible for meat wrapping, filling the freezer, making basic meat cuts and grinding meat.
- [10] The Service Centre employed three (3) classes of employee. These were Senior Hardware Clerks, Junior Hardware Clerks and Students. The duties of the Junior Hardware Clerk were to stock shelves, face shelves, did cleaning as necessary, and ran the tills. Senior Hardware Clerks did all of the duties of the Junior Clerks as well as receiving shipments, supervise and direct the Junior Clerks, and also worked in the tire and oil change bays. Students performed duties similar to those performed by Junior Clerks.
- [11] At the Gas Bar, there were three (3) classes of employee. These were Pump Attendant, Shift Supervisor and Student. Pump Attendants serviced customers at the pumps, did cleaning, cleaned windshields and cleaned snow as necessary. The Shift Supervisor supervised the Pump Attendants, ran the till, did cash accounting for twice daily reconciliations of tobacco and lottery purchases. The students performed the duties of the Pump Attendants.
- [12] Ms. Nickell provided the Board with a copy of the current wage scales for each of the positions. That wage scale provided for a starting wage with progressions based upon the number of aggregate hours worked by each employee. The minimum and maximum wage scales were as follows:

	Job Number	Job Title	Starting Wage	Maximum Wage
Food Store				
	8111	Sr. Grocery Clerk	10.70	16.22
	8112	Jr. Grocery Clerk	10.50	14.44
	8133	Meat Clerk/Cutter	10.50	17.29
	8760	Student	10.00	12.85
Service Centre				
	8402	Sr. Hardware Clerk	11.27	17.50
	8403	Jr. Hardware Clerk	10.50	14.44
	8760	Student	10.00	12.85
C-Store				
	8714	Pump Attendant	10.50	14.91
	8723	Shift Supervisor	11.29	17.40
	8760	Student	10.00	12.85

[13] The hours of operation of each of these three (3) locations are:

- Grocery Store 9 AM to 7 PM (Monday to Saturday) and 1 PM to 6 PM on Sunday;
- Service Centre 8 AM to 5:30 PM (Monday to Friday) and 8 AM to 5 PM on Saturday and Sunday; and
- Gas Bar 7 AM to 10 PM in Winter and 6 AM to 10 PM in Summer (Monday to Saturday) and 7 AM to 10 PM on Sunday.
- [14] Ms. Nickell also provided the Board with an "Employee Information Manual" utilized by the Employer. This Manual was provided to all employees on their initial hire. The manual provided, among other things, information on wages, benefits, hours of work, a complaint procedure, employee discipline, employee training and development, safety, uniforms and ethical conduct.
- [15] Ms. Nickell also described the various management positions claimed as exceptions by the Employer and outlined the duties of those positions. She also provided information regarding the Agro Centre employees.

- [16] Under cross-examination, Ms. Nickell testified that employees who transfer between locations (departments) retain their seniority and are paid based upon the job they transfer into. She also acknowledged that the various locations (departments) all operate different point of sale systems that require some training upon transferring between departments.
- [17] Mr. Christopher Dennis, an organizer with the Union, testified concerning the organizing campaign in which the Union was engaged. His testimony was that he was contacted by a group of employees and spoke to them about the Union becoming their bargaining agent. He testified that the Union did not approach any employees at the Service Centre, the Agro Centre, or employees at locations in Grenfell to join the Union.
- [18] Ms. Lucy Fiueiredo also testified for the Union. She testified about her experience as a bargaining agent for other Co-operatives represented by the Union.

Relevant Statutory Provisions:

- [19] Relevant statutory provisions of the *Act* provide as follows:
 - 2 In this Act:
 - (a) "appropriate unit" means a unit of employees appropriate for the purpose of bargaining collective;

. . .

- (g) "employer" means:
 - (i) an employer who employs three or more employees;
 - (ii) an employer who employs less than three employees if at least one of the employees is a member of a trade union that includes among its membership employees of more than one employer;
 - (iii) in respect of any employees of a contractor who supplies the services of the employees for or on behalf of a principal pursuant to the terms of any contract entered into by the contractor or principal, the contractor or principal as the board may in its discretion determine for the purposes of this Act;

and includes Her Majesty in the right of the Province of Saskatchewan

3. Employees have the right to organize in and to form, join or assist trade unions and to bargain collectively through a trade union of their own choosing; and the trade union designated or selected for the purpose of bargaining collectively by the majority of the employees in a unit appropriate for that purpose

shall be the exclusive representative of all employees in that unit for the purpose of bargaining collectively.

. . .

5 The board may make orders:

- (a) determining whether the appropriate unit of employees for the purpose of bargaining collectively shall be an employer unit, craft unit, plant unit or a subdivision thereof or some other unit;
- (b) determining what trade union, if any, represents a majority of employees in an appropriate unit of employees, but no order under this clause shall be made in respect of an application made within a period of six months from the date of the dismissal of an application for certification by the same trade union in respect of the same or a substantially similar unit of employees, unless the board, on the application of that trade union, considers it advisable to abridge that period;
- (c) requiring an employer or a trade union representing the majority of employees in an appropriate unit to bargain collectively;

Employer's arguments:

[20] The Employer also filed a written argument and case authorities which is appreciated and has been reviewed.

[21] The Employer argued that the proposed unit was under-inclusive and therefore, not appropriate for the purposes of collective bargaining. In support of its arguments, the Employer cited numerous cases¹

[22] The Employer argued that the factors outlined by the Board in these cases, and particularly in *Sterling Newspaper Group* case, coupled with a lack of evidence from the union that a larger, more inclusive unit could not be created, leads to the conclusion that a more

¹ Canadian Union of Public Employees, Local 1902-08 v. Young Women's Christian Association et al., [1992] 4th Quarter Sask. Labour Rep. 71, LRB File No. 123-92; Saskatchewan Joint Board, Retail, Wholesale and Department Store Union v. O.K. Economy Stores (A Division of Westfair Foods Ltd.), [1990] Fall Sask. Labour Rep. 64, LRB File No. 264-89; Health Sciences Association of Saskatchewan v. Board of South Saskatchewan Hospital Centre (Plains Health Centre), [1987] Apr. Sask. Labour Rep. 48; Graphic Communications International Union, Local 75M v. Sterling Newspaper Group, A Division of Hollinger Inc., [1998] Sask. L.R.B.R. 770, LRB File No. 174-98; Ranch Ehrlo Society (Re:), [2008] S.L.R.B.D. No. 36; International Alliance of Theatrical, Stage, Employees and Moving Picture Machine Operators of the United States and Canada v. Saskatchewan Centre of the Arts, [1992] 3rd Quarter, Sask. Labour Rep. 143, LRB File No. 126-92; Canadian Union of Public Employees, Local 1975 v. University of Saskatchewan Student's Union, [2007] CanLII 68928 (SK LRB), LRB File No. 048-04; and Saskatchewan Government Employees' Union v. Gabriel Dumont Institute of Native Studies and Applied Research Inc., [1989] Winter Sask. Labour Rep. 68, LRB File No. 118-89.

inclusive unit as proposed by them (see paragraph 2 above) should be determined to be the appropriate unit.

Union's arguments:

[23] The Union filed a written argument and Book of Authorities that the Board appreciated and which it has reviewed. In its argument, the Union argued that certification of a smaller, under-inclusive unit was appropriate. It relied upon the Board's recent decision in Canadian Union of Public Employees, Local 5004 v. Saskatoon Housing Authority.²

[24] The Union also referenced the *Graphic Communications International Union, Local 75M v. Sterling Newspaper Group, A Division of Hollinger Inc.*³ It analyzed four (4) of the five (5) factors referenced in that decision. It argued that the employees' right to join or assist trade unions and to bargain collectively through a trade union of their own choosing should be the overarching consideration for the Board in determining whether the unit was appropriate for collective bargaining.

Analysis and Decision:

Appropriate Unit

While it is likely beyond dispute that the most inclusive and therefore *most* appropriate unit would be an all employee unit of all employees of the Employer that is not the test on an application for certification. The Board is not to choose the most ideal or more appropriate unit, but rather determine whether the unit applied for is an appropriate one. In Canadian Union of Public Employees v. The Board of Education of the Northern Lakes School Division No. 64⁴, which involved an application for the amendment of the Union's certification Order to include bus drivers in its support staff bargaining unit. The Board stated at 116-117:

The basic question which arises for determination in this context is, in our view, the issue of whether an appropriate bargaining unit would be created if the application of the Union were to be granted. As we have often pointed out, this issue must be distinguished from the question of what would be the most appropriate bargaining unit.

The Board has always been reluctant to deny groups of employees access to collective bargaining on the grounds that there are bargaining units which might be created, other than the one which is proposed, which would be more ideal from the

² [2010] CanLII 42667, LRB File No. 048-10 at paras 29 - 31.

³ [1998] Sask. L.R.B.R. 770, LRB File No. 174-98.

⁴ [1996] Sask. L.R.B.R. 115, LRB File No. 332-95.

point of view of collective bargaining policy. The Board has generally been more interested in assessing whether the bargaining unit which is proposed stands a good chance of forming a sound basis for a collective bargaining relationship than in speculating about what might be an ideal configuration.

[26] As noted above, the Board reviewed some of the considerations applicable to the determination of an appropriate bargaining unit" in *Graphic Communications International Union, Local 75M v. Sterling Newspaper Group, A Division of Hollinger Inc.*, ⁵ as follows:

From this review of cases, it would appear to the Board that under-inclusive bargaining units will not be considered to be appropriate in the following circumstances: (1) there is no discrete skill or other boundary surrounding the unit that easily separates it from other employees; (2) there is intermingling between the proposed unit and other employees; (3) there is a lack of bargaining strength in the proposed unit; (4) there is a realistic ability on the part of the Union to organize a more inclusive unit; or (5) there exists a more inclusive choice of bargaining units.

In Re: Saskatoon Housing Authority⁶, Vice-Chairperson Schiefner was faced with a case which involved an under-inclusive unit. He made the following comments in that case:

[37] Certainly, any application to certify an under-inclusive bargaining unit involves the potential for fragmentation of collective bargaining in a workplace. However, as we indicated at the outset, the Board's examination of the appropriateness of the bargaining unit proposed by the Union must be tempered by respect for the right of employees to organize in and join a trade union of their choosing, a right protected by s. 3 of the <u>Act.</u> . .

[28] In Saskatchewan Joint Board, Retail, Wholesale and Department Store Union v. O.K. Economy Stores (a division of the Westfair Foods Ltd.),⁷ the Board summarized the test for determining the appropriateness of a bargaining unit in the following terms:

This does not mean that large is synonymous with appropriate. Whenever the appropriateness of a unit is in issue, whether large or small, the Board must examine a number of factors assigning weight to each as circumstances require. There is no single test that can be applied. Those factors include among others: whether the proposed unit of employees will be able to carry on a viable collective bargaining relationship with the employer; the community of interest shared by the employees in the proposed unit; organizational difficulties in particular industries; the promotion of industrial stability; the wishes or agreement of the parties; the organizational structure of the employer and the effect that the proposed unit will

_

⁵ [1998] Sask. L.R.B.R. 770, LRB File No. 174-98 at 780.

⁶ Supra, Note 2.

⁷ [1990] Fall Sask. Labour Rep. 64, LRB File No. 264-89.

have upon the employer's operations; and the historical patterns of organization in the industry.

The Board recognizes that there may be a number of different units of employees which are appropriate for collective bargaining in any particular industry. As a result, on initial certification applications a bargaining unit containing only one store may be found appropriate. That finding does not rule out the existence of other appropriate units and, accordingly, on a consolidation application, a larger unit may be found appropriate. There is no inconsistency between the initial determination of a single store unit with a municipal geographic boundary and a subsequent determination that a larger unit is appropriate.

The difficulty with assessing the appropriateness of under-inclusive units lies in the conflict of two competing interests, being the employees' right to organize and join unions of their choosing vs. the desire to have stable bargaining structures. This conflict was aptly described by the Board in the *Graphic Communications International Union, Local 75M v.* Sterling Newspaper Group, A Division of Hollinger Inc., supra, decision, in the context of an application for certification of employees in the press room at a newspaper company, at 776:

The Board is faced in this instance with choosing between the rights of employees to organize and the need for stable collective bargaining structures that will endure the test of time. It is clear from the decisions in other jurisdictions that the "most" appropriate bargaining units in this industry consist either of wall-to-wall units or two bargaining units, one consisting of the front end employees, including office, administration and editorial, and one consisting of the production workers, including pressmen. Such a configuration would likely result in stable and effective labour relations, in the sense that the Union would have a significant constituency within the workplace to bargain effectively with the Employer. The ultimate viability of smaller, less inclusive, bargaining units is, in our experience, and certainly in the past experience with this Employer, more tenuous over the long run. The proposed unit can be described in this sense as an under-inclusive unit.

The Board faced a similar dilemma in <u>Hotel Employees & Restaurant Employees Union Local 767 v. Regina Exhibition Association Ltd.</u>, [1986] Oct. Sask. Labour Rep. 43, LRB File No. 015-86, where the applicant, which had previously unsuccessfully applied to represent all employees in the food services department of the employer, applied a second time to represent only the concessions department of the food services department. On the second application, the Board held as follows, at 45:

The fundamental purpose of <u>The Trade Union Act</u> is to recognize and protect the right of employees to bargain collectively through a trade union of their choice, and an unbending policy in favour of larger units may not always be appropriate in industries where trade union representation is struggling to establish itself. It would make little sense for the Board to require optimum long term bargaining structures if the immediate effect is to completely prevent the organization of employees. In effect, the Board is compelled to choose between two competing policy objectives; the policy of facilitating collective bargaining, and the policy of nurturing industrial stability by avoiding a multiplicity of bargaining units.

Where the Board is of the view that an all employee unit is beyond the organizational reach of the employees it is willing to relax its preference for all employee units and to approve a smaller unit.

This does not mean, however, that the Board will certify proposed bargaining units based merely on the extent of organizing. Every unit must be viable for collective bargaining purposes and be one around which a rational and defensible boundary can be drawn.

[30] Applying the factors set out in *Graphic Communications International Union, Local 75M v. Sterling Newspaper Group, A Division of Hollinger Inc.,*⁸ for the reasons that follow, lead the Board to its decision that the group of employees applied for by the Union is not an appropriate unit for collective bargaining.

Community of interest

[31] The evidence established that there is a community of interest between the employees who work in the Grocery Store, the Service Centre and the Gas Bar. These employees share a similar wage schedule, a similar work schedule and are able to transfer from one location to the other without loss of seniority. While the evidence showed that transfers between the various departments did not occur very often, there was provision for such transfers to be accommodated.

The wage grids for each of the positions in each of the departments are remarkably similar. In particular, a Junior Grocery Clerk and a Junior Hardware Clerk start and end at the same pay scale. So do students employed in the Grocery Store, the Service Centre or the Gas Bar.

All of the employees also share the same terms of employment as outlined in the Employee Information Manual which is common to all employees. There is no discrete skill or other boundary which separates any of the employees in the Grocery Store, the Service Centre, or the Gas Bar apart from department specific matters such as the difference in point of sale systems and product knowledge. These impediments are easily overcome by on the job training so that an employee from the Grocery Store or Gas Bar can learn to operate the point of sale system used in the Service Centre and can become knowledgeable about the products sold at that location.

_

⁸ [1998] Sask. L.R.B.R. 770, LRB File No. 174-98 at 780.

[34] As noted in *International Alliance of Theatrical, Stage, Employees and Moving Picture Machine Operators of the United States and Canada v. Saskatchewan Centre of the Arts..*⁹ the Board says at p. 130:

The Board will also have regard to a number of factors generally grouped under the heading community of interest. Essentially, this requires the Board to examine the employee's skill, duties, working conditions and interests in order to ensure that two groups of employees with a serious conflict are not placed in the same bargaining unit...

Store, the Service Centre and the Gas Bar. However, that is not the case with respect to the Agro Centre. The evidence established that the employees of the Agro Centre were quite different from the other employees. The employees at the Agro Centre were trained as agrologists. They either had a P. Ag degree, or were studying to obtain that degree. They were employed to provide advise to farmers in the area as to the types of crops they should grow, the fertilizer they should employ, and the herbicides and pesticides that they should apply. The duties of these employees and their professional training set them apart from the others.

Intermingling between Employees

As noted above, there is limited intermingling between employees of the different departments. However, it is equally clear that even though intermingling does not routinely occur, nevertheless, it can occur. Job duties, apart from specific product knowledge and operational tasks related to the point of sale systems are relatively similar, as is the wage structure and conditions of employment between the Grocery Store, the Gas Bar and the Service Centre.

Lack of Bargaining Strength

[37] In its testimony, the Union made it clear that they were prepared to support the unit of employees which they proposed. Certainly, the Union has the resources to support an under-inclusive unit.

[38] While it is near impossible for us to determine whether the proposed bargaining units are viable in the long-term, it is apparent that such smaller units have proven viable in the

_

⁹ Supra, Note 1.

past. Furthermore, we take notice of the fact that UFCW, Local 1400 is a large and experienced Local of a large and experienced international labour organization which certainly has the resources to ensure the viability of these units.

Ability to Organize a more Inclusive Unit

In its testimony, the Union acknowledged that it would have tried to organize a more inclusive unit if it had been able to find support among the employees of the Service Centre. As a result, Mr. Dennis testified that the Union made no attempt to organize either the employees of the Service Centre or the Agro Centre. He testified that he was advised by the employee group involved in the certification drive that there was no support for the Union among those employee groups.

[40] In Saskatchewan Government Employees' Union v. Gabriel Dumont Institute of Native Studies and Applied Research Inc. 10 at page 71, the Board says:

There was no evidence that a larger unit is beyond the organizational reach of the union, nor is there any other discernable labour relations reason that would compensate for the difficulties, actual or potential, for employees and employer alike, that the proposed unit would create.

Those words are apt here as well. The Union's evidence is that it did not attempt to secure the support of the employees of the service centre. Nor was there any evidence, such as was the case in *United Food and Commercial Workers, Local 1400 v. Plainsview Credit Union*, where there were documented difficulties encountered in organizing financial institutions.

There Exists a more Inclusive Choice of Bargaining Unit

In this case, there is a more inclusive bargaining unit available which includes the employees of the Grocery Store, the Service Centre and the Gas Bar. The Grocery Store and Service Centre are a much better choice of unit insofar as they share many common features as noted above, and are also geographically directly across the street from one another. While the Gas Bar is not so geographically connected, the employees there have a community of interest

¹¹ [2011] CanLII 40107 (SK LRB), LRB File No. 010-11 to 016-11 at para. 60.

¹⁰ [1989] Winter Sask. Labour Rep. 68, LRB File No. 118-89.

with the employees of the Service Centre and the Grocery Store. They share common wage scales and terms and conditions of employment.

- [43] In the determination of what unit of employees is appropriate, there is always the balance between the wishes of employees to be represented in the unit they chose, versus the Board's need to determine the appropriateness of that unit for collective bargaining. In doing so, the Board must, of necessity, engage in the polycentric analysis of the various factors that have been identified by the Board in its previous decisions.
- [44] There is no discrete boundary between the unit applied for by the Union and the larger unit which includes the Service Centre employees. All of the employees have a similar community of interest, sharing both a common wage scale and terms and conditions of employment.
- [45] There is limited intermingling between the various employees, but, some intermingling and transfers between the departments do occur. The departments are not so dissimilar to justify creation of the under-inclusive unit sought by the Union.
- [46] As noted above, the Union has sufficient resources and has indicated its desire to ensure the units remain viable and enjoy bargaining strength.
- [47] While the determination of an appropriate unit and its stability or bargaining strength will continue to be an issue to be determined by the facts of every case, the Board must be confident that these units can and will be stable, viable and will enjoy sufficient bargaining strength.
- [48] The unit proposed by the Employer, including the employees who are students is an appropriate unit for the purposes of collective bargaining.
- The Board conducted a pre-hearing vote among the employees of the Grocery Store, the Service Centre and the Gas Bar. The votes of these employees were double enveloped by the Board Agent pending the determination by the Board of the appropriate unit of employees. The Board Agent is hereby directed to separate the votes of all employees, in the following unit:

14

All employees of the Hometown Co-operative Association Ltd., at its Broadview locations, Broadview, Saskatchewan except: General Manager, Store Manager, Assistant Store Manager, Bakery Manager, Meat Manager, Produce Operator, File Clerk, Hardware Supervisor, confidential Administrative Support, Agro Centre employees and those above the rank of Manager.

[50] This panel of the Board will not be seized with this matter for the purpose of consideration of the results of the vote tabulation or for the issuance of any order resultant therefrom.

DATED at Regina, Saskatchewan, this 20th day of February, 2013.

LABOUR RELATIONS BOARD

Kenneth G. Love, Q.C. Chairperson