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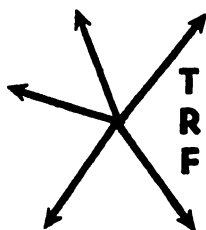
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Papers —

Eleventh Annual Meeting

“Tackling the Problems of the 1970’s”

October 22-23-24, 1970
Roosevelt Hotel
New Orleans, Louisiana



TRANSPORTATION RESEARCH FORUM

Manpower Problems In Associated Transportation

by Alexander C. Pathy*

THERE ARE A FEW AREAS of commercial endeavour that have, during the past few years, undergone such tremendous change as the transportation industry. In the field of passenger transport, we now have jumbo jets carrying passengers in unprecedented numbers: hovercraft serving hitherto inaccessible areas; electric and turbo trains whisking passengers at high speed from the heart of one urban community directly to another; rapid transit systems which could, if governments had the courage, solve many of the problems of auto congestion and pollution in our cities. Around the corner we have the SST ready to span the oceans and continents in one-half the already incredibly short time we have become accustomed to. For the carriage of bulk materials we have 300,000-ton oil tankers and 150,000-ton bulk carriers. Specialized vessels, using principles known as LASH (Lighter aboard ship), RORO (Roll on, Roll off), OBO (Oil/Bulk/Ore), LPG (Liquid petroleum gas), as well as containerships, are revolutionizing the carriage of cargo. Mammoth container cranes working with straddle carriers; specialized gear for handling automobiles, newsprint, etc., are changing the heretofore dull landscape of harbour facilities. Land bridge; unit train; door to door service; combined transport operator; are new concepts of service in the transport industry. The mind boggles at the changes which will take place in the transportation industry and generally in all areas of human endeavour, as we embark on the decade of the '70s.

To quote the words of Robert Oppenheimer, physicist:

“This world of ours is a new world, in which the unity of knowledge, the nature of human communities, the order of society, the order of ideas, the very notions of society and culture have changed, and will not return to what they have been in the past.

“What is new is new not because it has never been there before, but because it has changed in quality. . . .

“One thing that is new is the prevalence of newness, the changing scale and scope of change itself, so that the world alters as we walk in it, so that the years of a man's life measure not some small growth or rearrangement or moderation of what he learned in childhood, but a great upheaval.”

Technological change is beautiful — it has carried us to the moon, given us a standard of living undreamed of by our grandfathers, shortened our work week and increased leisure time. But this change has also created manpower problems which are not so beautiful. Insecurity, redundancy, lack of

**Vice President, Federal Commerce and Navigation Company Limited.*

planning, inadequate communication, lack of retraining facilities, deficiency of organization, and early retirement are but some of the problems which must be faced by advancing technology.

Through my recent readings on this subject I have encountered a book called "The Dynamics of Change" by Don Fabun, Publications Editor of Kaiser Aluminum & Chemical Corporation — published in 1967 by Prentice-Hall Inc. This book has profoundly influenced my thinking and has helped me to understand more clearly why action and reaction takes place between labour and management when the change is introduced.

Change creates manpower problems. Most of us react to major change with considerable reluctance and usually find the result most painful. We have all formed an image of the way things should be and we react sometimes violently when a new experience breaks up our accepted pattern. When things no longer stand in the same relationship — left to right, top to bottom, front to back, colour on colour — as they did before, our equilibrium is disturbed and it will take great effort to construct a new relationship that will take into account the new evidence.

This may be one reason why the "established order" so vehemently resists change in our times. As Marshall McLuhan says

"Their entire state of security and status is in a single form of acquired knowledge, so that innovation for them is not novelty, but annihilation."

And as Dostoevsky said

"taking a new step, uttering a new word, is what people fear most."

Or in the words of Eric Hoffer, longshoreman, philosopher:

"We can never be really prepared for that which is wholly new. We have to adjust ourselves, and every radical adjustment is a crisis in self esteem. . . . It needs inordinate self confidence to face drastic change without inner trembling."

I will now relate this dynamics of change to the manpower problems with which I am familiar.

In 1966, the St. Lawrence River ports of Montreal, Quebec and Trois Rivieres were closed for 36 days, when negotiations between the shipping community and the longshoremen and related trades, over a new collective agreement, broke down. The issue was not just wages but technological change. The industry was still, in 1966, using a collective labour agreement based upon work rules written in 1937. No segment of associated transportation has been as slow to respond to technological change as the stevedoring or longshoring industry. Until quite recently in North America, work on the waterfront was almost entirely a casual experience. Early morning shape up and take your chance of a job. Volumes have been written on the casual nature of the longshoring industry. Prior to 1966 the only guarantee a man had of employment in the port of Montreal was 2 hours of pay if he was called to work. If weather made work impossible or if there were no ships in port, the man got no pay and waited for another day to earn his bread.

In 1966 it was obvious to management that the changes in cargo handling techniques and vessel design made many work rules redundant and, in order to increase productivity in a rising labour cost market, management attempted to negotiate manpower changes. The Unions, not surprisingly, resisted such change, unless the men could be guaranteed job security. Management was not prepared to consider such security and a strike resulted. This is a classic example of what I said earlier about change. The longshoremen could not conceive of working on the docks in a manner different from their previous experiences, even though equipment and techniques were changing and, on the other hand, management, which had dealt with a casual workforce, was scared to death of the thought of "wage guarantees", "job security", "early retirement", "retraining", etc. Of course, the situation could and should have been avoided and I will have more to say, a little later in this paper, on the obligations of employers who wish to introduce major change.

As a result of the strike in 1966, one of many studies was set up by the Federal Government. This one, under the Chairmanship of Dr. Laurent Picard, sat for 14 months and, in accordance with the terms of reference under which the study was established, modified the collective labour agreements between the parties to provide management, on the one hand, with a degree of flexibility and, on the other hand, the Unions with a guarantee, which was the highest in North America. In his conclusion, Dr. Picard said:

"It seems important to emphasize that if both parties wish to enjoy the benefits accruing from the rationalization of operations and the stabilization of work in the three ports involved, they will have to surrender certain privileges which are related to an obsolete conception of longshoring."

This is really the first point that I want to make. To quote from "The Dynamics of Change":

"In a rather fanciful way, one might consider that our institutions — and this would include business organizations as well as the other kinds — are the chromosomes of our society, and that they preserve in them the successful gene mutations of previous social, cultural and technological innovations. To protect themselves against further change, institutions harden their resistance by formalizing rituals, customs and traditions. In a rapidly changing technology, the social organism thus preserved becomes unable to cope with its new environment and either must give way to the innovators or fail to survive."

On March 10, 1970, the Hon. Don Jamieson, Federal Minister of transport, addressed the Canadian Shipper's Council. He announced dramatic changes relating to Terminal Operations and Port Administration. As a representative of industry, I warmly welcomed the Minister's remarks:

"With the advent of other new technological developments in the field of transportation such as larger and faster aircraft, unit trains and larger trucks, the conventional approach towards handling of merchandise is no longer efficient. New methods are being de-

veloped to take advantage of the efficiencies and economies expected of these innovations. I am referring to a whole new concept of terminal operations especially suited for the densely populated urban areas which generate the most traffic.

“The principle of terminal operations envisaged could be a major progressive step towards improving the general operating efficiency.

“It is evident that there are two major concerns; first, the question of cost, and secondly, the distribution of labour.” and

“As regards innovation and changing technology. . . . This Government feels change is the essence of survival today.”

In the transfer of cargo from vessel to on carrier, or from delivering carrier to vessel, the principle of terminal operations is simple to explain. One party is totally responsible for the transfer and assumes responsibility for the cargo whilst it is in his custody. Can any operation be stated in more simple terms? Obviously if he is responsible for the operation, the terminal operator must be the employer of all the men working on the operation. Most European ports and many American ports, as well as some Canadian ports, have accepted this concept of terminal operations. In Montreal, prior to a few weeks ago, we were using a system of cargo transfer under which at any one time as many as 5 employer/employee relationships existed in the same premises at the same time. The Smith Report, one of the more recent studies of labour/management practices in the port of Montreal was a scathing indictment of the transportation industry. Whilst everyone deplored the system in use in the port of Montreal, which gave rise to theft, criminal activity, poor productivity, etc., no one wanted it changed because everyone had a piece of the action and was afraid of the immediate result of change. I believe that every newspaper in Montreal, every trade association as well as all segments of the transportation industry at one time or another during the past 4 years has condemned the Port over its inefficiency, etc.; and yet, some few weeks ago when the Port Manager announced new rules with respect to the operation of trucks in sheds in the Port of Montreal – new rules which would enable a partial introduction of change as recommended by Judge Smith and many others – everyone of these institutions tried desperately to forestall the introduction of this change. Why are we in this country so unwilling to innovate? Fortunately, the Port Manager would not back down and we now have the beginning of a new era in dock operations in Montreal. The only group that did not object to the introduction of the new rules was the Longshoremen's Union, which was gaining work for its men who had been deprived of work by the introduction of labour saving devices elsewhere on the docks. As a matter of fact, the Longshoremen's Union had, prior to the last contract negotiation, claimed the right to work in the sheds and had been awarded this right by arbitration.

We are only part way to fully integrated terminal operations, although the first step has now been taken. This first step, dealing with tailgate delivery to and from trucks, has involved the rationalization of the role of various employers and this, to a large extent, has been a question of cost, although,

to a lesser extent, the distribution of labour was a point in question. The second step involves the real hurdle of distribution of labour between railway freight handlers on the one hand and longshoremens on the other.

Distribution of labour is only one aspect of the manpower problem. In some cases the problem is one of institutional change. As long as longshoring was casual and there was no responsibility on the part of employers to provide job guarantees, common retraining, etc., there was no move towards uniting management into a common front. The rationalization of operations spoken of by Dr. Picard has made it necessary now for employers to group together. Whilst this has been accomplished in the West coast some years ago through the formation of the British Columbia Maritime Employers' Association, it is only recently that a similar Maritime Employers' Association has sprung up in Eastern Canada. The need for organizational change of traditional employer structures is a direct function of the increased complexity of manpower problems created by changing technology in an industry using a common labour pool. Unfortunately, experience is teaching me that many employers are still unwilling to accept such institutional change and by resisting, they may well fail to survive as individual entities.

Now what, if any, are the obligations of an employer towards his employees, if he intends to introduce major changes in employment practices? The following extract is taken from the summary and conclusions of the Report of the Industrial Inquiry Commission on Canadian National Railways — "Run-Throughs" — November 1965 (the Freedman Report):

"But what happens when a technological change releases a factor of production called labour? Clearly it poses problems not so easily written off or disposed of. The old concept of labour as a commodity simply will not suffice; it is at once wrong and dangerous. Hence there is a responsibility upon the entrepreneur who introduces technological change to see that it is not affected at the expense of his working force. That is the human aspect of the technological challenge, and it must not be ignored."

Everybody is afraid of Unions. Why? Because there is the inbred "tradition" on the part of many employers that inherent management rights include the right to decide on manpower change resulting from technological innovation without consultation or planning jointly with the Union. It is the formalization of this traditional way of thinking by employers that has forced Unions to take an equally obdurate stand in many instances against technological change. My own experience over the past few years has led me to believe that when proper planning and discussion between management and labour occurs, change is accepted. The key operative words are discussion and planning and this means "communication" and "education".

If there is an obligation on the employer to discuss with his working force the effects of technological change, then there must be a corresponding obligation on the parts of Unions

"not to use its organized strength in blind and willful resistance to technological advances"

(Also the Freedom Report, Par. 41, in part).

This Union resistance is also part of our tradition to react against change. I can understand Union resistance more readily than I can accept Management's resistance because, in many cases, the working force is genuinely in fear of losing jobs and is unable to comprehend that resistance may eliminate the work entirely, not to mention the job.

It is up to Management to take the initiative through communication to convince labour of the "technological imperative". This is one area where Government can help industry. The Federal Department of Labour has done a lot of preparatory work through its labour-management committees to foster the communication process. Let me read to you part of the introduction contained in one of the publications of the Labour-Management Consultation Branch:

"Canadian employers and employees today face ever-increasing economic and social pressures, due to the rapid changes brought about by escalating technology. There is a certain amount of uneasiness as domestic and international competition calls for changing work methods and techniques. There are tensions from "uncertainties of meeting these changes. Your labour-management joint consultation committee is becoming increasingly vital because of these changes, or pending changes. Communication, on a continuing basis, between management and unions is more necessary now than at any time in Canada's history. There are many documented cases to show that joint consultation, between employees and employer, can do much — not only to ease the tensions inherent in this age but — to improve morale by working out together the best employee-employer solutions to the problems caused by change. Yet such change is inevitable. It is inevitable because we are living in an era of continual technological advances; in an era of increasing competition."

In the field of associated transportation in Canada, whether dealing with terminal operations, containerization, general cargo handling, manning scales on vessels, etc., the obligation to dialogue and to make use of modern communications techniques is ever present.

The effects of technological change, often leading to employee redundancy, requires a humanistic approach. In tackling this problem on the waterfront in the port of Montreal we very nearly went astray. Once management accepted the decasualization of the work force by providing a 40-hour guaranteed work week for the normal shipping season, and the Union accepted the principle of manpower flexibility, there remained to be resolved the question of how many men would be given the job security. Management took the view that only a minimum number of men could be guaranteed as regular longshoremen, i.e. those who had worked in excess of a fixed number of hours in previous years; the rest of the Union members would be casuals who would work when called and who would qualify for security in subsequent years upon meeting certain conditions. In effect, management was trying to create two classes of citizens within the Union and this obviously would not work under any circumstances. In the final analysis, agreement was reached upon sound principles. Most Union members were admitted to the

job security scheme but they had to follow strict rules to remain in the scheme in future years. At the same time, the list of Union members was closed, not to be reopened without joint approval. This formula should work in other areas faced with the decasualization of a work force, or where technological change will result in employee redundancy. First, identify your work force. Second, accept as many men as have been reasonably regular to join the scheme. Third, freeze the guaranteed work force. Fourth, establish rules for disqualification from the job security scheme.

The problem in Montreal was made more difficult by the fact that there was no seniority scheme to assist in the identification of the work force, which numbered in excess of 2,500 men. Nor was there a compulsory retirement provision in the jointly administered pension plan and no-one had given any serious consideration to early retirement. It is now obvious that early retirement is a major manpower problem. There are far too many men over 65 years of age who must still work as longshoremen in Montreal, because their pensions are too low to allow them to retire. As technological change reduces the size of our work force, we must accept the challenge of early retirement. This problem does not mean only providing sufficient money to live but also will inevitably include the problem of leisure time.

A further major effect of technological change is to alter the skill requirements of the work force. The introduction of mechanization on the docks has necessitated the re-training of longshoremen to operate, in some cases, highly specialized equipment. As longshoremen saw the inevitable loss of traditional jobs through mechanization, they demanded the right to be hired for the new specialized jobs. To compensate for redundancy in loading or unloading operations on board ship, they demanded the right to work as shed men. In the former case, they used physical force, in the latter, they must drive mechanical equipment. With the collaboration of the Department of Manpower, we established a crash training programme to equip a minimum number of men with hitherto unknown skills. In the long run, management will have to set up a permanent training programme, so that, if possible, all manpower requirements will be drawn from the existing work force. For a training programme to work, it must be planned in advance and the future result must be anticipated. This requires foresight and innovation. Two commodities sadly lacking in labour/management relations. If, notwithstanding normal attrition and re-training, the work force is still too large, then Government re-training and relocation schemes must be considered.

In "The Dynamics of Change" the following quotation is attributed to Gerard Piel in "The Computer as Sorcerers Apprentice":

"Technological change has already largely eliminated people from production; it has sundered the hitherto "socially essential connection of work to consumption. The citizens and the institutions of these nations must accommodate themselves to the law of material abundance; each individual can secure increase in his own well-being only through action that secures increase in the well-being of others."

In conclusion, let me forecast continued and impressive change in transportation, which will create further manpower problems. I fervently hope

that our institutions, governments, labour and management will all have the wisdom and foresight to accept the inevitability of change. Perhaps what we will need in the future is wholly new types of institutions or instruments to control the acceleration of change. I strongly urge that institutions such as the Canadian Transportation Research Forum continue to promote technological change but, at the same time, devote more attention to expanding human awareness of the social consequences of improved technology.
