

MINUTES OF THE 8 JUNE 1998 MEETING UNION MANAGEMENT CONSULTATION COMMITTEE SUSSEX ROOM, GOVERNMENT CONFERENCE CENTRE

Co-Chairs:

Mr. J. Judd, Deputy Minister

Mr. M. Sjoquist, President, Canadian Merchant Service Guild

Members:

MGen K. Pennie, acting Vice Chief of the Defence Staff

VAdm G.R. Maddison, Chief Maritime Staff

LGen W. Leach, Chief Land Staff

LGen D. Kinsman, Chief Air Staff

Dr. K. Calder, Assistant Deputy Minister (Policy)

BGen G.T.M. Findley, representing Deputy Chief of the Defence Staff

LGen R. Dallaire, Assistant Deputy Minister (Personnel)

Mr. P. Lagueux, Assistant Deputy Minister (Materiel)

Mr. R.M. Emond, Assistant Deputy Minister (Finance and Corporate Services)

Mr. J.L. Adams, Assistant Deputy Minister (Infrastructure and Environment)

Mr. R. Quinn, representing Acting Director General Public Affairs

MGen K.G. Penney, Chief Review Services

BGen G. Pitzul, Judge Advocate General

Mr. Y. Côté, DND/CF Legal Advisor

Mme. M. Boudrias, Associate Assistant Deputy Minister (Personnel)

Mr. H. Dickson, DND Chief Information Officer

Mr. J. MacLennan, Executive Vice President, Union of National Defence Employees

Mr. B. Stannard, Vice President, Professional Institute of the Public Service of
Canada

Mr. N. Kemp, President, Federal Government Dockyard Trades and Labour Council
(East)

Mr. D. Quigley, President, Federal Government Dockyard Trades and Labour Council
(West)

Mr. D. Roode, President, Federal Government Dockyard Chargehands Association

Mr. P. Morse, Business Agent, International Brotherhood of Electrical Workers, Local

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Mr. M. Hosking, President, Association of Public Service Financial Administrators
Dr. P. Dunnett, Vice President, Canadian Military College Faculty Association

Attending:

MGen R. Linden, Chief of Reserves and Director, Ombudsman Project
Mr. R. Sullivan, Director General Employee Relations
Ms C. Bragg, Director General Regional Civilian Personnel Services
Ms. L. Gravel, Director General Civilian Human Resources Strategy and Development
Ms K. Howard, Manager, Alternate Service Delivery Program
Ms T. Murray, Director Civilian Human Resources Planning and Organizational Support
Mr. R. Hanson, Director Civilian Employment Policies
Ms. L. Desrosiers, Director Civilian Learning Strategies
Ms S. Harrison, Senior Advisor, Director General Employee Relations
Ms T. Namiesniowski, Executive Assistant, Deputy Minister
Mr. R. Cutler, Vice President (Alberta), Union of National Defence Employees
Mr. Jerome Turcq, Vice President (Quebec), Union of National Defence Employees
Mr. R. Taylor, Vice President, International Brotherhood of Electrical Workers, Local 2228
Mr. W. Miller, Steward, Professional Institute of the Public Service of Canada
Mr. T. Denault, Vice President, Federal Government Dockyard Trades and Labour Council (East)
Mr. W. Courtney, Vice President, Federal Government Dockyard Chargehands Association
Mr. C. Archambault, Staff Officer, Association of Public Service Financial Administrators
Ms. J. Lefebvre, Staff Officer, Director Civilian Employment Policies

DISCUSSION

INTRODUCTION

1. The Co-Chairs opened the meeting by welcoming all the members of the Committee. Since there were a number of new members from the management team, a Tour de Table was undertaken.

ACCEPTANCE OF AGENDA AND PREVIOUS MINUTES

2. Mr. Sjoquist asked that the minutes of the 8 Dec 97 meeting and the agenda for the 8 Jun 98 meeting be accepted. They were approved.

STRATEGIC DIRECTION

3. Mr. Judd spoke on the strategic direction for the Department of National Defence (DND) and the Canadian Forces (CF). Essentially, he outlined the challenges and priorities facing the organization. The financial and resources situation remains tight and priority will still have to be given to balancing the financial, operational and infrastructure demands on CF/DND.

4. He reminded everyone of the Minister's priorities:

- a. full and effective implementation of the reform process which was outlined in the Minister's Report of the Prime Minister;
- b. improved communications both within the CF/DND and with organizations and individuals outside the CF/DND;
- c. procurement of equipment for the CF; and
- d. addressing the Quality of Life issues when the report from SCONDVA is tabled during the fall.

He invited the unions to provide suggestions on improving communications.

5. In addition, the DM also described other challenges and priorities:

- a. the Millenium Bug or the Y2K problem has the potential of causing problems of great magnitude for CF/DND, the Government, industry and society as a whole. The DND Chief Information Officer is well engaged in finding the solution for our systems. However, it must be remembered that in DND/CF alone, there are over 2200 computer based systems. It is estimated that the solutions could cost approximately \$300 million. DND/CF is also developing a well-deserved reputation as an organization which can be called upon for help. Thus DND/CF could well be asked to devote some resources to assist if this problem causes significant problems;
- b. management issues are amongst the DM's challenges. Many members of the management team are new and it will take time for them to get to know each other. Other management issues such UCS, business planning and performance indicators and accountability are all issues which will take time to address; and,
- c. the DM will also be devoting resources to developing a long-term strategic direction for the DND/CF.

6. John MacLennan agreed that communications was a problem which needed attention. He was glad to see that it had been recognized and that resources would be devoted to dealing with it. It was particularly noticeable when messages/information are given by the most senior NDHQ levels to the union leaders and different messages/information are given at local levels. It appears that the

messages/information change through the chain of command. The DM thanked Mr. MacLennan for his comments and invited all the union leaders to provide suggestions on improving communications.

7. Mr. Quigley offered some comments on UCS. Since DND uses the ASD methodology to define competitiveness he suggested that the costs of implementing UCS should be separated from the costs of conducting business. Since all government departments and it is a one time conversion exercise and cost, it is unfair and unreasonable to not separate them. He also advised that he expected to be consulted on Staffing Reform.

8. Mr. Morse asked for information on the outstanding reduction targets. Other departments have completed their reductions and are now turning attention to those who are remaining. He asked DND was making a similar shift. He also asked how the bargaining agents could assist in this endeavour.

9. Mr. Emond advised that DND/CF had \$9.25 billion available in its budget with confirmation that economic increases would be centrally funded. DND/CF will also be receiving another \$150 million next year plus approximately \$130 million annually for inflation. He also reminded everyone of the targets stated in the 1994 White Paper, 60,000 regular force military and 20,000 civilian. He went on to say that rebalancing people, equipment and costs remain to accomplished.

10. The DM recognized that recently the focus had been on the Quality of Life for military members as their terms and conditions of employment had been badly eroded over the years. With the release of the SCONDVA report, much attention will continue to be focussed on the military member. However this does not mean that the civilian employees are being ignored as their working environment has been as good as it can be over the last five years as well. DND/CF is committed to treating affected civilians fairly and reasonably and to caring for the survivors as well. To accomplish these objectives levels of communication and consultation, both formal and informal, must be improved.

CONSULTATION FRAMEWORK

11. Mme. Boudrias tabled the Consultation Framework and asked if there were any comments.

12. Mr. Quigley referred to the paragraph entitled "Roles and Responsibilities" in Benefits of Consultation. He would have liked to see the clause " and implemented, where appropriate" added to the last sentence of the paragraph. However, provided it

was understood he was prepared to sign the Framework. He was assured that such a notion was understood within the paragraph as it was written.

13. Mr. MacLennan referred to the paragraph on the Chairpersons in the Guidelines on Labour-Management Relations Committees. He suggested that the paragraph be amended to reflect that there are two Co-Chairpersons for each meeting. His suggestion was accepted. The paragraph will be amended as follows:

"There shall be two co-chairpersons for each meeting. Management and the unions will each nominate a co-chairperson. The co-chairpersons, at the request and concurrence of either party, may invite persons or speakers to address the meeting on predetermined topics."

14. The Consultation Framework was accepted and signed by all members of the Union Management Consultation Committee.

TABLING OF A PROPOSED EMPLOYABILITY STRATEGY

15. Mme. Boudrias briefed the Committee on a proposed Employability Strategy which is intended to apply in circumstances where employees are affected by reductions as a result of the normal reduction process or an Alternate Service Delivery initiative and to those employees who will be remaining. A copy of the slides used in the presentation is attached.

16. Mme. Boudrias suggested that a sub-committee of the UMCC be established to deal with Human Resources issues. She further suggested that this sub-committee be used as the vehicle for in depth consultation on the proposed strategy. The UMCC members agreed.

17. As part of the strategy, Mme. Boudrias announced that the Vice Chief of Defence Staff had agreed to the extension of the Transition Support Program for employees impacted by reduction to enable them to make the transition to employment in other government departments or outside the public service. She also announced that she would be providing \$1 million annually for a two-year period to devote to developing future skills in the employees who will be remaining.

18. Most of the discussion focussed on the portions of the strategy concerning employees who are affected by reductions. Mr. Stannard asked if the Department was in a position to predict which groups or classes of employees would be Guaranteed Reasonable Job Offer (GRJO) under the new Work Force Adjustment Directive to which most of the unions had agreed in principle. Mme. Boudrias advised that DND was working with the central agencies on developing criteria which would be used.

Mr. Taylor asked if the new directive still contained the retraining provisions of the previous one. He was assured that it did.

19. Mr. Quigley asked if there would be a separate strategy and consultation for the unions which would not be signing the new Work Force Adjustment Directive. Mme. Boudrias advised that all unions would be invited to participate in the consultation process through the new sub-committee on Human Resources issues.

BRIEFING ON ALTERNATE DISPUTE RESOLUTION/OMBUDSMAN

20. MGen Linden briefed the members of the UMCC on the Conflict Management System Project. The project was put into place to bring alternate dispute resolution skills and approaches to managers/leaders at all levels as well as employees/members of all levels in order to resolve problems at the lowest level and as early as possible. A term position has been created for an executive director to design and implement a alternate dispute resolution system for DND/CF.

21. DND/CF is also appointing an Ombudsman to whom employees/members can complain. This initiative flows directly from the Minister's Report to the Prime Minister.

22. In both instances, MGen Linden committed to consulting with the unions on the development and implementation of the programs. Mme. Boudrias committed that both the Ombudsman and the Director for the Alternate Dispute Resolution Project would meet with the union leaders.

23. Mr. MacLennan stated that many civilian grievances were generated because the military members do not know about civilians, their rights and benefits. He suggested that familiarization with the civilian workforce be part of all training programs, especially those at the beginning of a member's career. Mr. Sullivan advised that DND/CF would review the suggestion and look at incorporating modules into military training courses.

24. LGen Leach took the opportunity to advise the members of the UMCC that the Land Force had included civilians in its vision. LGen Dallaire talked about the importance of the Defence Team and the possibility of civilians being included in the "Institute of Leadership".

25. In response to questions from Mr. Morse, Mme. Boudrias advised him that the current contacts and lines of communication remained in place.

ALTERNATE SERVICE DELIVERY UPDATE

26. MGen Pennie introduced this item on the agenda. He reminded everyone that DND/CF still have serious issues, such as rust-out, retraining and multi-skilling of personnel and infrastructure, ahead. The organization needs to re-balance and become more efficient. In this endeavour, Alternate Service Delivery (ASD) is but one of the tools.

27. Ms. Howard then updated the members of the Committee on the various initiatives which were underway, Training, Supply Chain and Site Support Services. She also described the Most Effective Organization (MEO) concept and its applicability to the Site Support Services Project and other like initiatives. The slide demonstrating the current thinking on where an MEO fits in the ASD methodology is attached. Essentially, activities will have the opportunity to demonstrate that it can achieve savings. If the savings are sufficient, the activity is not subjected to competition. A service level agreement between the Commanding Officer and the Executive Authority would be signed to confirm the commitments. The resultant organization would be validated in two years.

28. Ms. Howard announced two new reviews directed by the 1999 Departmental Planning Guide. Non-combatant air support fleets will be re-evaluated and subject to competition in order to find the most cost-effective way of providing the minimum essential requirement. To reduce the costs of operating CFS Alert, DND will consult with other government departments to achieve the most cost-effective support option.

29. Mr. MacLennan expressed his view that bundling of activities and sites removes the opportunity for an In-House Bid. He argued that DND should "de-bundle" as this was the approach taken by industry when they win contracts. He provided the example of Moose Jaw, where Bombardier, as the prime contractor, sub-contracted several activities to Frontec and Versa Foods. Ms. Howard and Mr. Lagueux both opined that bundling was the only way to achieve significant savings and reduce contract administration costs. Both the Supply Chain and Site Support Services projects were in the discovery stage and being reviewed end-to-end.

30. Mr. MacLennan also asked what was considered "sufficient" savings for MEOs to achieve. Ms. Howard advised that universal targets were not being set as each site and activity is distinct. She committed to consulting the unions as they are set. Mr. MacLennan asked if there were two studies underway in Suffield, one as part of the Site Support Services Project and one which is being conducted by the British Army. He was advised that the review was a joint one, that both Canada and Britain were working together.

31. Dr. Dunnett opined that the MEO was a more sensible process to follow. ASD has very negative affects on the morale of the people assets of the Department.

Additionally, there is decreased flexibility in times of crisis when work is contracted out. He asked when the subjection of all activities to ASD review would be concluded. Ms. Howard advised that she could not foresee when the ASD review of activities would be finished.

32. Mr. Kemp reminded the members of the Committee of the level of co-operation and the change in attitude of the work force in what is now the Fleet Management Facility Cape Scott as a result of the war in the Persian Gulf. As a consequence a strategic alliance was created between the Navy and the workers. They recognized that by working together they can accomplish much.

33. Mr. Quigley talked about the peaks and valleys of the workflow in the Fleet Management Facilities (FMF). It was his opinion that the workload needed to be leveled. To do so he suggested that work from other government departments could be brought into the FMFs. Ms. Howard agreed that these issues needed to be addressed.

34. It was MGen Penney's view that to date the change initiatives had looked at the easy activities and that what was needed now was the breaking down of barriers. It was his view that only competition would bring about such radical change.

35. Mr. Taylor asked a question concerning the MEO. He had thought that the Minister had intended the MEO to be applicable in all ASD initiatives. The DM advised that he had been with the Minister when he made the comments related to ASD. The comments were definitely made in the context of the Site Support Services project.

36. The DM then suggested that these issues be dealt with at the ASD sub-committee as they were obviously ones which were significant.

NEW STRUCTURE OF HUMAN RESOURCES MANAGEMENT IN DND/CF

37. The DM announced a new structure for Human Resources Management in DND/CF. Essentially, the Associate Assistant Deputy Minister (Personnel) will become an Assistant Deputy Minister (ADM). This change has come about as a result of the evolving pressures and priorities on the Human Resources function.

38. Mme. Boudrias provided greater detail on the new structure. The new structure clearly delineates the accountability of the ADM's responsibility in their sphere. However, harmonization of will be pursued. The working relationships, processes and activities will be more horizontal, shared and harmonized wherever possible and it makes sense to do so. A copy of the new organization chart is attached.

39. LGen Dallaire remarked that he was completely supportive of this initiative. He stated it was a significant step forward and would harmonization easier. He also stated he was looking forward to working closely together.

ROUNDTABLE

40. LGen Dallaire started the Roundtable session by asking the unions to feel free to provide him feedback from their members and any military members who may have expressed themselves to them.

41. Mr. Roode brought an issue to the table which deals with the classification of eight (8) of his members. The DM advised that the Department would look into the matter.

42. Mr. Morse asked the Department to provide enhancements to the new Work Force Adjustment Directive. DND has always been willing to look after its employees in a fair and humane way. He asked that DND continue to do so by providing more than had been negotiated in order to handle the reductions which were still ahead. Mme. Boudrias opined that it would be very difficult to improve the Transition Support Measure.

CLOSING REMARKS

43. The Co-Chairpersons closed the meeting by thanking everyone for their participation.

It was agreed that the next meeting will be held on 7 Dec 98.

44. The DM confirmed that:

- a. A sub-committee will be convened to deal with Human resources issues. Mme. Boudrias will consult on the composition and other details of the sub-committee with the union leaders;
- b. The Department is committed to consulting fully the unions in the finalization the Employability Strategy through the Human Resources sub-committee;
- c. The Department will be holding a symposium on June 25 and 26, 1998 to provide input to the development of the Employability Strategy; and
- d. The Department is committed to consulting the unions on the development and implementation of the Alternate Dispute Resolution program and the interface with Ombudsman, to advising them of the names of the Ombudsman and the Director of the Alternate Dispute Resolution program and ensuring that they meet with the unions as soon as practicable after their appointments.

45. Mr. Sjoquist finished by advising all present that there was a general and universal dissatisfaction among the bargaining agents on ASD. While he recognized that continuous improvement is always a goal in any successful organization, he stated that DND must find closure to the ASD process and continuous reviews if the work force is to survive with any level of morale and productivity.

46. The meeting closed at 5:20 PM.

J.Judd
Co-Chairperson

M. Sjoquist
Co-Chairperson