

## Why Does Mr. Pattison Need to Get Rid of Loyal Employees?

Why Jimmy Pattison and his crew have chosen to discard us has been something of a conundrum to over two hundred employees at the Overwaitea/ Loman warehouse for some time now. As the people responsible for receiving, storing, building the orders, and then loading them for over twenty years, they have played a key role in taking a bit player in the grocery industry and turning it into one of the big players in the B.C. market. But in April of this year the message was clear. The workers interpreted the employer's message as, "Thanks for getting us this far, we'll take it from here. We don't need or want you anymore."

After years of working from small, scattered, outdated, and in some cases run-down facilities the opening of the Langley distribution center in 1980 was a crowning achievement. Some statistics from Overwaitea Food Group (OFG) at the peak:

- Whole Operation- situated on a 36 acre site 412,000 square feet or ten acres under roof, 29 acres and 7 for parking
- Total complex 10 million 500 thousand cubic feet
- Total warehouse employees 330
- Volume- Annual case volume throughput is 62 million 400 thousand cases
- Annual trailers loaded 20 thousand trailers
- One million 200 thousand pieces a week in and out of all departments
- We load a total of 350 trailers a week in all departments

Everything was under one roof. Produce, meats, cheese, repack, health and beauty aids (HABA), and the largest component, dry grocery, were now received and shipped from the same location. Was it an improvement? Take a guess. Trucks had to make a single stop instead of several. The communication between departments was at an all-time high. The left hand knew what the right hand was doing. The loaders knew exactly what they had to deal with. If one department was slow and another was very busy there were "floaters" who could be shifted accordingly—we had worker flexibility. Efficiency and effectiveness hit unprecedented highs. There were tours given. Industry executives were interested in seeing what was one of the most efficient operations in North America.

Then another force entered the scene.

The charismatic president Clarence Heppell announced his retirement. His dedication to honesty and people seemed to depart with him. What followed must be the most expensive and illogical series of decisions in the company's history. It seemed to follow corporate dogma that accompanied the onset of globalization. A few small details were absent from the "official press releases." For example, how global market forces applied to a business whose products had a short shelf life. Missing too was how marketing for an "upscale clientele" seemed to fit with the inevitable decline in customer service that came with the "divestment in human capital."

Market share figures speak for themselves.

UFCW Local 1518, the union that represents the workers reports:

“In March 1989, Overwaitea approached Local 1518 and demanded immediate rollbacks of \$3.00 per hour for all their employees, including the warehouse employees. The company claimed that without such concessions, they would be bankrupt in 14 days. The union immediately rejected the demand, and OFG went on to earn profits that year exceeding their own projections by 90 percent.”

This seemed to set the tone for what came next in terms of a concern for the truth and a concern for efficiency. If Mr. Pattison had animosity for unionism, it must certainly be of his own making. This was the point in time when employees realized that their dedication meant nothing. This was when the OFG’s “us versus you” mentality started in earnest.

Again, according to the union,

“In 1991, as negotiations for a new collective agreement were to get under way, warehouse members were hit hard by the news that of 340 workers, 116 would be laid off, and another 60 would be reduced to 16 hours per week. Overwaitea caused the layoffs by contracting out its supplies for produce, health and beauty products, and meat and deli products.”

In what appeared to be a step backward the distribution center was essentially “broken up” resembling the efficiencies that existed prior to the Langley operation’s existence. Some of this contracting out went as far afield as Calgary. So much for OFG’s now-misleading slogan “B.C.’s Very Own Food People.”

According to the submission to the LRB from OFG’s law firm “...expansion of the business continued and the Langley Warehouse was not large enough to accommodate all of Overwaitea’s warehouse needs.” That made it sound as if the employees were somehow responsible for their own demise by virtue of the companies’ success. The submission asserts, “As its business was expanding, Overwaitea decided to concentrate on its core business and contract out the warehousing of various types of inventory, except dry grocery goods, which remained at the Langley Warehouse.” This philosophy did not somehow preclude OFG from getting into trucking and load building. A seeming contradiction to that philosophy was the fact that OFG kept its fingers deep in the warehouse by controlling the stock in it, pallet control, download times. As well, other significant decisions appeared to remain with OFG in one form or another.

Needless to say worker loyalty went “south”. Where once if a warehouse employee was seen shopping at the competition, such was viewed as disloyalty and was a hot topic of discussion, quite suddenly no one cared. Where once a significant portion of wages used to come back to the employer as a demonstration of pride and loyalty, now it was clear that

any pride or allegiance was purely marketing. Attention to detail that had been fostered under Mr. Heppell gave way to apathy. Globalism was here whether it made sense or not—people were out, corporate dogma was in.

Then I got my copy of *The National Post* and it all started to make sense. Mr. Pattison is only number four on the rich list in Canada with an estimated self worth of only \$3.81 billion. This is peanuts next to Lord Thomson's 27.71 billion at number one. Hey, Lord Thomson probably has a bigger yacht (I wonder if Mr. Campbell would have a beer with me on my inflatable dinghy if I made a 10-dollar donation to the Liberal Party?), has more residences around the globe and influences more politicians and media than poor J.P. I formed the opinion that Jimmy just isn't big enough yet.

OK, Jimmy, I think I get it now, but correct me if I'm wrong. The way I view it, you've taken the 25 years I have given toward making you rich, and they've just been flushed down the crapper. It's as if my salary and me stand in the way of getting you to number one. Give my job to the new Canadians down the highway. Devout Baptist? Well, I'm sure that score will be decided where money is of no consequence. I'm sure that God will understand that my job had to go when it's explained that I actually made enough to make mortgage payments.

Lastly, regarding the *National Post* article, I cannot help but mention it's mention of Andre Chagnon, religious affiliation unmentioned, who is quoted as saying, "Being a billionaire—it doesn't mean anything," the 74-year-old Mr. Chagnon says, "I'd like to be remembered for what I do from now on. This will be more productive than what I have done for the last 35 years." What he wants to do is fight obesity, poverty and disease, and he's committed more than 75% of his fortune to do so.' Mr. Chagnon set up the largest private foundation in Canada with 1.4 billion of his own personal wealth toward these goals leaving him and his family with 400 million. Now that makes a difference. St. Peter would be proud.

Devout Baptist? Let St. Peter be the judge.

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