

*Workplace Governance as an Intangible Asset: Unions
and Community Colleges in Southern Ontario
Automotive Global Production Networks*



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Workplace Governance, Labour and Intangible Asset Formation in Southern Ontario

Global Production Network (GPN) approach recognizes work place (WP) governance institutions.

Less emphasis on intangible asset (IA) development within firm.

Mudambi (2008) IA development involves management of human creativity (ie labour)



- Systemic tendencies for firms to under-invest in labour and IA.
- WP governance institutions both territorially uneven + stimulate IA investment.
- Unions secure employee access to training + influence work organization.
- Colleges encourage “informal learning and skills that are not easily verbalized or codified” (Rosenfeld, 2000, 52).

Workplace governance and IA formation in Southern Ontario



- Southern Ontario successful in attracting automotive GPNs.
- WP governance institutions “small differences that matter” (Card and Freeman, 1993) vs. US.
- Unionization similar to Great Lakes States but advantages in community colleges and overall adult education.
- But low training investment by firms.

Unions and IA Development



- Unions important determinant in education training access (Livingston and Raykov, 2008).
- Canadian Auto Workers (CAW) union adversarial but plays critical role in workplace training.
- CAW co-determined Auto Parts Sectoral Training Council (APSTC) 1990s.



- One of the criticisms that I hear from the companies ...is that they're always doing needs analysis and a cost-benefit analysis when they look at these types of initiatives in terms of return on investment ... [the returns] are not so hard to see but it's difficult to measure the overall results. That basically comes down to a tremendous change in worker attitudes regarding their position in the company and where they see themselves fitting as a valuable entity, but also the general improvement in the overall working environment. In other words, it seems there is less confrontation, and better industry awareness (APTCS Managerial Co-Chair).



- CAW considered “an important conduit of knowledge” (Automotive parts firm 2002).
- “The unions are probably more in tune than anyone is. They probably know more about my competition than I know” (Automotive parts firm 2003).
- But limits due to employment relation/conflicts.

Community colleges and IA Development



- Case studies in Kitchener and Windsor.
- Both had significant relationships with automotive GPNs.
- Critical role in developing firm consensus on skills and training.
- Especially as firms found it difficult to forecast skill needs.



- ...it is not a very precise process and the conversation sort of goes this way”what do you think you are gonna need in five years?” and they will say “well geez, we don’t know what we are gonna need in six months, how do you expect us to predict that?” And we say “well look, here are the lifecycle of some curriculums and they are about 7 years, so we have got to be planning now to produce what you are going to need in five years”. So....you talk to a number of people and hopefully the picture starts to get less fuzzy as you get more inputs. Another point is that our advisory board is not only involved with manufacturers, they also involve equipment suppliers and so often the equipment suppliers are asking the some questions of themselves (Community college Kitchener, 2004).



- But challenges:
 - (i) balancing technical and social skills
 - “I did a survey of a bunch of industries to find out how our graduates are doing and this was the part that shocked me –I was expecting to find that [in] certain technical areas we needed to focus and [instead] it was like “just give me someone who I can rely on and who will show up everyday and who wants to learn” (Community College, Windsor 2005).



- (ii) ‘underground training’ by firms to restrict employee mobility.
- “If they [the employee] choose to leave that company to go to a second company, they have to start all over –so there’s no benefit for an employee to move. I think the perception is that they’ll keep their employees” (Community college Windsor, 2005)
- (iii) Cut backs in training during downturns.

Conclusions



- Unions and colleges play critical role in IA development but both under threat.
- Unionization declining and per capita college funding cut.
- WP governance institutions alone cannot secure GPN investment.
- Overall negative impact of neo-liberal policies.