

How **IKEA** Is Hurting Families:

Report on the **IKEA**
Lockout in Richmond,
British Columbia, Canada



International Fact-Finding Commission
on the IKEA Lockout Richmond,
British Columbia, Canada



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International Fact-Finding Report on the Lockout
at **IKEA**, Richmond, British Columbia, Canada

This report outlines the key findings of an International Fact-Finding Commission on the Lockout at the IKEA store in Richmond, British Columbia, Canada (5, 6 and 7 November 2013). The Commission was formed by UNI Global Union and the International Transport Workers' Federation (ITF) at the request of Teamsters Canada. The report is based on meetings, interviews with IKEA workers and a number of additional published reports on IKEA. The Commission has found that IKEA Richmond has fallen short in a number of ways with local norms, practices and laws and global standards set by IKEA.

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Executive Summary

IKEA Richmond's management has abandoned the stated values of the 'IKEA family' by adopting a radical anti-worker agenda that opposes unionization campaigns and encourages union decertification. The lockout of 350 employees since May 13, 2013 for rejecting a discriminatory wage system and subsequent worker intimidation is not compatible with the ideals and practices espoused in IKEA's own global standards and it is also certainly out of keeping with the vast majority of labour negotiations, strikes and lockouts in British Columbia.

Recommendations

1. IKEA Richmond must end the lockout and return to the negotiating table in good faith, with no preconditions, until a mutually acceptable collective agreement has been achieved.
2. IKEA must end its support of Labour Watch, break with the radical right wing anti-union agenda in Canada and ensure its legal counsel follows the global standards of IKEA.
3. IKEA should set a new voluntary standard for its employees in Canada and worldwide, confirming its commitment to social dialogue and the right to association and collective bargaining. This is best done by engaging with UNI Global toward a Global Framework Agreement, ensuring a common application of IKEA values.

Key Commission Findings

- Long-serving workers at the IKEA store report that the industrial relations policies and practices at Richmond until 2007 were positive, characterized by a culture of social dialogue and respect between management and the unionized work force.
- Labour-management relations have deteriorated since the 2007 strike; management has avoided resolving even the most minor workplace issues. This is clearly demonstrated by the 18 grievances filed by the union in the last three years compared to only seven grievances filed in the 15 years prior (1995–2010).
- Management instability is viewed as a key contributory factor to the sea change in industrial relations practice at the Richmond Store. In the past six years, there have been FIVE different store managers, SIX different human resource managers and a number of changes to the logistics manager. Many of these managers have been brought in from outside the 'IKEA family' and are not immersed in the IKEA culture to the same degree as the long-serving Richmond employees.
- In or around 2010, IKEA changed its outside legal counsel to the anti-union law firm Fasken Martineau. This change in legal counsel is seen

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by the work force and the union as the key driver of the new management approach to labour relations.

- The current dispute is a culmination of the changes highlighted above. IKEA management have consistently introduced proposals that cut the current terms and conditions of employees. When these proposals were rejected by the employees, management has attempted to unilaterally impose these changes.
- Management proposals have consistently and overwhelmingly been rejected by the work force in ballots. IKEA response to the rejections was to lock out its employees. This lockout terminated the existing collective agreement and employees were told they could only return to work if they did so under the new terms and conditions of the management proposal they had rejected.
- IKEA has been found to be in breach of the British Columbia Labour Relations Code on multiple occasions throughout this dispute. Alarming, at least one worker has had their employment terminated during this dispute.
- IKEA Richmond has tried to coerce employees to cross the picket line. Thinly veiled threats have been made in writing that outline specific penalties for employees that continue the picket. These threats are not only contrary to the Labour Codes of British Columbia, but further polarise the relationship between management and their longstanding work force.
- Security fences and guards constantly filming employees peacefully walking the picket line are felt by employees to be purposefully designed to intimidate and antagonise the workers' peaceful protest.
- IKEA Richmond has encouraged their employees to contact the radical right-wing, anti-union Canadian Labour Watch Association. The aims, objectives and philosophy of Labour Watch are not compatible with the standards spelled out in IKEA's own code of conduct. Supporting Labour Watch is indicative of just how far IKEA Richmond management have strayed from IKEA's core values, policies and practices.
- Attempts to circumvent the Richmond work force's rights to association and collective bargaining mirror practices reported by IKEA workers about IKEA management in Turkey, Vietnam and Bangladesh.

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UNI/ITF Global Commission of Inquiry into the IKEA Lockout in Richmond, British Columbia, Canada

The International Fact-Finding Commission on the Lockout at IKEA in Richmond, British Columbia, Canada was formed by UNI Global Union and the International Transport Workers' Federation (ITF) at the request of Teamsters Canada to investigate (a) whether the actions of IKEA in Richmond, British Columbia, to lock out its employees are in accordance with international, Canadian, and IKEA standards for workers' and human rights; (b) to explore the consequences of IKEA's actions; and (c) to make recommendations with a view toward finding a resolution to the dispute. The Commission visited Vancouver and Richmond, British Columbia, Canada, on November 5, 6 and 7, 2013. This report is based on our meetings during the visit and additional information from our research.



Commission Members

Peter Lökvist is the General Secretary of the Nordic Transport Workers' Federation (NTF) which represents 48 transport unions with a total of 360,000 members in Denmark, Finland, Iceland, Norway and Sweden. Peter's past experiences include 15 years as longshoreman, a Port Inspector for the International Transport Workers' Federation, and International Secretary for the Swedish Transport Workers Union.

Erin van der Maas is the Strategic Industrial Project Coordinator and researcher for the International Transport Workers' Federation (ITF) handled by SCALOP (Supply Chain and Logistics Organising Projects Unit). Erin has particular responsibility for supply chain work as both the lead researcher and industrial coordinator. Previously, Erin worked in a number of research,

academic and community organising roles for the London School of Economics, Cambridge University, The Carnegie UK Trust and the Citizen Organising Foundation; all of these research/organising roles had a trade union, labour market and/or civil society focus.

Michael Toal is a National Representative with the United Food and Commercial Workers International Union (UFCW) Canada based in Vancouver and active across Western Canada. UFCW is the key affiliate of UNI Commerce in North America and represents 1.3 million workers in the food and retail industries. Michael assists UFCW members and local unions in organizing, collective bargaining, and providing frontline service to members. He has previously worked as a freelance journalist reporting from Latin America on transnational social and political issues and holds a Master of Arts degree from the Department of Sociology and Anthropology at Simon Fraser University.

Tim Beaty is the Director of Global Strategies for the International Brotherhood of Teamsters. Founded in 1903, the International Brotherhood of Teamsters represents 1.4 million hardworking men and women throughout the United States, Canada and Puerto Rico. The Teamsters are affiliated to ITF and UNI. Tim is a member of the UNI IKEA Global Union Alliance.

UNI Global Union, based in Nyon, Switzerland, represents more than 20 million workers from over 900 trade unions in the fastest growing sectors in the world – skills and services. UNI and its affiliates in all regions are driven by the responsibility to ensure these jobs are decent and workers' rights are protected, including their right to join a union and collective bargaining.

The International Transport Workers' Federation (ITF) is an international trade union federation of transport workers' unions. Around 700 unions representing more than 4.5 million transport workers from some 150 countries are members of the ITF.

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IKEA's Labor Relations are Deteriorating Worldwide

IKEA is a U.S. \$36 billion per year company, the world's largest furniture retailer and one of the world's most recognizable retail brands. It is owned by the Netherlands-based Stichting INGKA Foundation and Interogo Foundation and is headquartered in Delft, Netherlands. Peter Agnefjäll is the President and CEO of IKEA Group. IKEA was founded in 1943 by Swedish entrepreneur Ingvar Kamprad, the richest person in Europe. Kamprad owns the Stichting INGKA Foundation, which owns all the shares in IKEA Group. IKEA operates 298 stores in 26 countries, and has 139,000 employees worldwide. While the majority of these employees are based in Western Europe, the company has a growing presence in Eastern Europe, Australia, North America and Asia, especially in China and India. In addition to having one of the best-known brand images in the world, IKEA, a self-proclaimed socially responsible corporation, claims its corporate culture embraces togetherness, respect and humility.¹

IKEA has 12 stores in Canada (Richmond and Coquitlam in British Columbia; Calgary and Edmonton in Alberta; Winnipeg, Manitoba; Burlington, Etobicoke, North York, Ottawa and Vaughan in Ontario; and Boucherville and Montreal in Quebec). IKEA Canada is visited by more than 25 million people every year.

UNI Global Union convenes the IKEA Global Union Alliance. The Alliance recently surveyed IKEA workers in 16 countries about labor-management relations across the company. According to that report:

"As it expanded beyond its home region, [IKEA] attempted to export Sweden's strong traditions of workplace democracy and corporate social responsibility to its global operations through the adoption of various standards and commitments.

...The research reveals best practices are concentrated in the company's home region, with violations more common the farther away a country is, geographically and socially, from Sweden. Further, employment relations at IKEA are actually deteriorating in a host of countries including Western Europe...

...in its expansionary drive, IKEA failed to implement its standards and commitment, violated international agreements and national laws in repressing workers, and lost track of its Swedish values."²

In a separate UNI Global Union report on labor relations in at IKEA in Turkey, the company was found to have "...run a campaign of intimidation, interference and coercion in response to employees' efforts to choose a union..."³

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Instability in IKEA Richmond Store Management During Last Six Years Seriously Harmed Labour/Management Relations

IKEA's first store in North America opened in Richmond in 1979. In 1982, store workers in Richmond formed a union with Teamsters Local 351 (later to merge into Teamsters Local 213) and have been covered by a collective bargaining agreement since then. In 2002, IKEA opened a second store in the Vancouver area in Coquitlam, located 23 kilometers from the Richmond store. The new store cut heavily into sales in Richmond. Workers at the IKEA store in Montreal have also organized a union and have a collective bargaining agreement.



By almost all accounts, the first two decades of labour relations at the IKEA Richmond store have been characterized by a culture of social dialogue and respect between management and its unionized work force. A number of witnesses referred to progressively more severe “turning points” occurring in the mid-to-late portion of the 2000s. In 2004, two years after opening the Coquitlam store, management demanded a wage system at the Richmond location that would discriminate against new hires by offering them lower wages by virtue of their start date. Fearful of provoking a store closure, workers accepted the new “tiered” wage system. In subsequent contract negotiations that took place in 2007, the workers were determined to end the discriminatory wage policy and took part in a three-week strike. The store remained closed during that dispute, and the resulting five-year collective agreement eliminated most of the discrimination against new hires.

Witnesses noted a sharp deterioration in labour-management relations since the 2007 strike as well as a strong tendency for management to avoid the resolution of even the most routine of workplace issues. For example, from 2010 through to the commencement of the present dispute, the union

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has filed upwards of 18 grievances on issues ranging from the failure to rectify routine payroll errors through to vacation pay and entitlement issues, as well as violations of provisions governing hours of work and scheduling. In comparison, over the previous 15 years (1995-2010), the union was forced to file only seven grievances, most of which dealt with major issues such as terminations. Management culture became more litigious, and small issues ballooned into unnecessary arbitrations.

Since 2007, there has been acute instability in Richmond store management. There have been five different store managers, six different human resource managers and a series of changes to the logistics manager. In or around 2010, the company changed outside legal counsel to the anti-union law firm Fasken Martineau. Joint labor-management meetings were frequently cancelled by management and stewards were taken to task by management for their participation in such meetings. Access to the building by union representatives was restricted. There were new problems with membership applications, dues check-off, chronic mistakes in seniority lists and unresponsiveness to calls and e-mails from union representatives. In 2010, the company implemented a new payroll system that has had continuous problems. Over the last few years, workers at the unionized Richmond location have also noticed a practice of isolation from training and other interaction with co-workers from other, predominantly nonunion Canadian stores.

IKEA replaced the original store building in Richmond with a new, much larger building that opened to the public in April 2012. It is estimated that the cost to the company was more than CDN\$100 million and the new store has significantly increased sales expectations in Richmond.

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IKEA Workers Vote to Protect Future Co-workers

The current collective bargaining agreement expired on December 31, 2012. On September 4, 2012, the union provided IKEA Richmond with notice to commence collective bargaining. While the parties were unable to meet until after December 31, 2012, a continuation clause within the collective agreement ensured that the agreement would remain in force and effect until the earlier of a ratified renewal of the agreement or the commencement of a legal strike or lockout. Therefore, bargaining continued under the conditions of the old contract until May 13, 2013. The parties met and bargained collectively but were unable to achieve a new collective agreement.



The Union Bargaining Committee is made up of IKEA Richmond employees Jody Adams, Bernie Boivin, Drew Regalado, Henjie San Juan, Wilson Syyong, Perry Tachauer and Dorothy Tompkins, with Local 213 representative Anita Dawson who is a former IKEA worker. Management representation is led by Fasken Martineau attorney David McDonald. Mr. McDonald proposed a number of reductions to the pay, hours of work, benefits, classifications and union status, including reintroduction of the discriminatory wage/benefit policy for new hires. On the whole, the union's proposals sought to maintain and modestly improve the terms and conditions of the pre-existing collective agreement. One IKEA worker explained, "We are only basically asking to keep the same contract and maybe at least a cost of living allowance, as this is a very expensive province to live in. Not an unreasonable request. But the company wants to take us back years."

IKEA has insisted that its wage offers are above what it refers to as "industry standards." Michael McCarthy Flynn of the Living Wage for Families campaign contextualized the wage issue for the Commission at the public

hearing. Based on a widely-recognized calculation of what is needed for a family to avoid living in poverty, the living wage for a family of four in the metro Vancouver area – assuming two parents are working full time – is \$19.62 per hour. McCarthy Flynn estimates that, even under the recently expired collective agreement, “up to 70% of IKEA Richmond workers don’t earn a living wage.”

Throughout the course of collective bargaining, a number of offers were placed before the workers and voted on in secret ballot votes:

March 17, 2013

Union members reject an initial offer from IKEA by 96 percent.

May 5, 2013

Union members reject a second offer from IKEA by 83 percent and vote 85 percent in favour of strike action, should the concessions not be removed from the company’s proposal.

May 9, 2013

IKEA evokes Section 78 of the BC Labour Relations Code, forcing union members to take a Final Offer vote, though the provisions of the already rejected May 5th offer remained unchanged. In the Final Offer vote, union members again reject the company’s May 5 proposal by 84 percent.

After IKEA workers’ second rejection of the company’s May 5th offer in a Final Offer vote, IKEA management served lockout notice upon the union. At that same time, the union served notice to strike.

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IKEA Richmond Locks Out Its Employees on May 13, 2013

On May 13, 2013, at 8:30 a.m., IKEA formally locked out its employees. The 2007-2012 collective agreement formally expired at that moment, and the workers established a picket line at the store. One hour later, the company began inviting employees to cross the picket lines and return to work under the provisions of the last company contract proposal the membership had twice rejected.



In the last days leading up to the lockout, management held a series of meetings with workers, explaining their proposal and encouraging them to change their views on the company proposals. Management distributed an IKEA Richmond Store business card encouraging workers to contact Labour Watch, the well-known Canadian anti-union organization.

“They tried to talk to us individually to lure us to cross the picket line,” testified one IKEA worker and picketer. “But it just didn’t feel right to betray the people [I] work with every day and [who have] been like a family to me.”

A first for IKEA in Canada, the Richmond location has remained open for business throughout the course of the dispute. Upon crossing the union picket lines to shop at the store, customers have been given discount coupons of up to 20 percent and IKEA security contractors have encouraged customers to recycle communication materials given to them by locked out workers.

With reduced hours and staff, the Richmond operation has been run by excluded, non-bargaining unit staff and managers; approximately 35 bargaining unit employees who have crossed the picket line to work during the lockout; and a number of ineligible “replacement workers,” in some cases in contravention of the BC Labour Relations Code. Approximately 300 workers continue to be locked out and are picketing the location.

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IKEA Illegally Threatens Its Locked Out Employees

In a letter dated May 29, 2013, IKEA advised its employees that it was within their legal rights to cross the picket lines and proceeded to coerce workers to do so through thinly veiled threats. IKEA Richmond Store Manager, Janet McGowan, stated in that letter, "I'm proud of the many co-workers who have exercised their right to return to work ... On behalf of IKEA, you have my assurance that we are committed to supporting you should you choose to return to work. I encourage you to call the Canadian Labour Watch Association ... to get independent information about your rights and responsibilities." (IKEA Letter to Employees May 29, 2013).



Far from independent, Labour Watch, the organization endorsed by IKEA in this letter and prior to the dispute, is a radical right-wing anti-union lobby and advocacy organization financed by and composed of vehemently anti-union employer associations, conservative free enterprise groups and employer-side legal firms from across Canada. A lawyer associated with this organization is currently representing IKEA workers who have crossed the

picket line and have been subsequently penalized through the union's internal processes dealing with such matters.

In a discriminatory and threatening manner, IKEA's May 29 letter also outlined a penalty for those who would continue to picket the store: "those who return to work after 5 p.m. on June 3, 8, and 13 will have different terms and conditions of employment [than those who cross the picket line before those dates]. They will be reduced" (ibid., emphasis in original). It must be noted that Section 68(3) of the BC Labour Relations Code prohibits an employer from discriminating against, intimidating, coercing or imposing "a pecuniary or other penalty upon a person" for refusing to perform bargaining unit work during a legal strike or lockout.

In deploying such tactics, IKEA seeks to pressure employees on an individual basis to "[move] forward" and return to work under conditions unilaterally determined by IKEA, thereby undermining the integrity of the exclusive bargaining rights conferred upon the union by the law and sidestepping the formal and legal collective bargaining process in which the parties are meant to be engaged. IKEA's approach to labour relations appears to be founded in an elemental refusal to recognize the union as the bargaining agent for employees at its Richmond location. Not only is the lockout demonstrative of a complete breakdown in social dialogue perhaps unseen in its operations closer to Sweden, together with the constellation of antecedents, it is difficult to avoid sharing the conclusion of a large number of picketers: as one put it, "the pure intention of this labour dispute is to get rid of the union in our store."

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IKEA 'Bargains' by Proposing Terms Worse Than Those in the Rejected Contracts

Rather than moving toward the union's position and a mutually agreeable, negotiated settlement, IKEA's offers at the bargaining table with regards to wages and benefits have become successively worse since the lockout began. During June and July of 2013, IKEA management made a series of unilateral announcements further reducing their proposal, including retroactive pay reductions, a wage freeze, and reductions in paid sick leave days and health insurance benefits.

In July 2013, both sides agreed to mediation. On July 24, the company revised its proposal by withdrawing the discriminatory pay proposal and offering in its place a six-year contract with a wage schedule based on subjective, company controlled sales goals and productivity measures. The union argues that the company's latest proposal would significantly lengthen the wage progression, making top rate attainable, at best, after a decade of continuous service. All other reductions in hours of work, benefits, classifications and union status remained. In our research, the commission has found no precedent in Canadian collective bargaining for wage rates based on future sales goals. Furthermore, the company's proposal would make it virtually impossible for the union to enforce the collective agreement, having little or no independently verifiable access to the employer's financials. The July 24 mediated offer was rejected unanimously by the membership. With a view toward moving the bargaining process along, the worker bargaining committee responded with a proposal attempting to take into consideration company concerns and show flexibility, but Mr. McDonald rejected it without any explanation.

In contrast, IKEA and its workers in the Montreal store recently reached an agreement on their collective bargaining agreement in July 2013, without any of the cutbacks or productivity standards demanded by the company in its negotiations with its workers in Richmond. Despite a significantly higher cost of living in the Vancouver metropolitan area than in Montreal, the company is not willing to offer the Montreal conditions to workers in the Richmond store.

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IKEA Violates its Own Standards of Conduct

In general terms, IKEA's Group *Code of Conduct* seeks to impress the following norms upon its employees in an effort to encourage a positive business culture:

"If you are in doubt about any of your actions, simply ask yourself the following questions:

- Is it consistent with the Code?
- Is it ethical?
- Is it legal?
- Will it reflect well on me and the IKEA Group?

If the answer is "no" to any of these questions, do not do it."

Additionally, IKEA's Group *Code of Conduct* states explicitly that "IKEA Trademark users shall respect the rights of co-workers to (or not to) associate freely, form and join worker organizations of their own choosing, seek representation, and bargain collectively, as permitted by and in accordance with applicable laws and regulations."⁴



IKEA is decimating its own social responsibility standards by locking out workers. IKEA claims that there is no lockout because it invited workers to return to work one hour after it announced the lockout. However, the offer to return to work was conditioned on returning workers accepting the company's last contract proposal that had been overwhelmingly rejected by the workers. Therefore the company has taken unilateral action to circumvent and frustrate the collective bargaining process, a process it claims to respect.

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It is also a violation of IKEA's own standards to recommend its employees contact Labour Watch. Political scientist Andrew Jackson places Labour Watch among some of the key actors in "the new attack on the Canadian labour movement" (2013:57):

The right-wing think tanks have recently been joined by a new organization, Labour Watch, which publishes their "research" and co-ordinates anti-union legislative initiatives. It is publicly supported by leading Canadian employer organizations, including the Canadian Federation of Independent Business (CFIB), the Canadian Restaurant and Foodservices Association (CRFA), the Conseil du patronat du Québec (CPQ), the Retail Council of Canada (RCC), and the so-called Merit Contractors Associations. Through its web site, Labour Watch (www.labourwatch.com) provides advice to individual workers opposed to unionization campaigns or interested in decertifying their workplace, supports right-to-work laws and mandatory union disclosure of spending on political and lobbying activities, and publishes an annual report, State of the Unions, geared to the media opportunity of Labour Day. It purports to show, based on opinion polling, that so-called "forced unionism" is a significant issue and that most Canadians oppose political advocacy by unions.⁵

IKEA Hires Negotiator with History of Violating Workers' Rights

Instead of seeking legal advice from professionals who espouse core IKEA values like togetherness and respect, their current lead bargainer has a history of attacking workers. The hiring of IKEA's current outside legal counsel, David McDonald of Fasken Martineau, corresponds to a period of radically increased friction with Richmond workers and their union. Experienced union bargainers we interviewed described a pattern of bitter industrial relations by employers under McDonald's counsel. And the actions by IKEA in locking out its employees and almost immediately inviting them back to work are rare, but not without precedent in BC. It appears that the last time this occurred was in 2007 when Sears Canada locked out members of IBEW Local 213. The notice of lockout was, in almost all respects, identical to the notice sent out by IKEA in this dispute. The one exception being Sears stated that it would no longer collect and remit union dues. This statement was later held by the Labour Relations Board to be in breach of the Labour Code. The lawyer, David McDonald, for Sears in that case is the same lawyer as IKEA is using in this case.

The influence of this law firm is important here given their agenda of support of efforts to import a 'right to work' agenda to Canada. Under their counsel, IKEA Richmond management has acted in contravention of the British Columbia Labour Relations Code and out of keeping with both local British Columbia norms and practices and IKEA's own global standards.

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IKEA Violates British Columbia Labour Relations Code During Lockout

While IKEA's Group Code of Conduct also champions "[compliance] with the employment laws of every country in which it operates," the company has been found on multiple occasions throughout this dispute to have engaged in behavior contrary to the British Columbia Labour Relations Code. There have been a number of unfair labour practice complaints filed over the months of lockout. Among these decisions, the Labour Board has ordered IKEA to cease and desist using managers as replacement workers and using outside security inside the store.



Alarming, at least one locked out IKEA worker has been terminated while on the picket line. The grounds for termination have not been made clear, nor has supporting evidence been presented to the union by IKEA Canada.

There have been allegations that the employer has been coercing workers to cross their own picket line. Workers have heard about the possibility of cash incentives, including paying greater wages than the previous collective agreement, potential lump sum payments and advising that IKEA will pay legal fees for any problems faced by those who cross the picket line.

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Commission of Inquiry Directly Observes Worker Intimidation

Through the course of our visit, members of the Commission attended meetings with the Teamsters Local 213 and their IKEA bargaining committee, the British Columbia Federation of Labour, members of the Vancouver and District Labour Council, IKEA workers on the picket line, local citizens organizations, and major local media outlets. While initial attempts to meet with IKEA management were declined by the company, two delegates managed to meet with IKEA officials at the store on November 6, 2013.



Jim Sinclair, President of the BC Federation of Labour

On November 7, 2013, the Commission convened an open public hearing into IKEA's treatment of workers in Canada at Simon Fraser University's Wosk Centre for Dialogue, which was attended by more than 100 people. Witnesses included Jim Sinclair, President of the BC Federation of Labour; Anita Dawson, union representative for the IKEA Richmond location; Tim Beaty, of the International Brotherhood of Teamsters, Washington DC and a member of the UNI IKEA

Global Union Alliance; Michael McCarthy Flynn of the Living Wage campaign; Reverend Margaret Marquardt, a local faith leader; Lindsay Lyster, a labour lawyer who previously served for eight years on the British Columbia Human Rights Tribunal; and a number of IKEA workers from diverse backgrounds and experiences with the company.⁶

During the hearing testimony and in our discussions with locked out Richmond workers, we met many long-term IKEA workers with a strong sense of loyalty to the company. They were frustrated with the frequent turnover in management and mixed signals about the company's lauded culture of cooperation versus the reality of the way they have been treated over the last seven years. They feel betrayed by the company, a company they take enormous pride in having helped to build in Canada. They are disappointed with the message that security guards and fences around the store send to the customers and broader community. Around the store there is constant surveillance, fences, greasing fences, and continued attempts by

management to meet with workers when union reps are not around, all aimed at antagonizing and intimidating the work force.



Commission members Peter Lökvist, General Secretary of the Nordic Transport Workers' Federation, and Tim Beaty, Director of Global Strategies for the International Brotherhood of Teamsters, interview a locked out IKEA worker.

"This labour dispute is not what any of us deserve," said one picketer with 32 years of service at the store. "The faith we once had in IKEA is gone. I chose [to work for] this company because it had a great reputation and a solid, strong future. What kind of future do I have now?"

Locked out workers walking the picket have been entirely peaceful, respectful and law abiding, despite the intimidation. An IKEA worker and union member told us; "We don't want to antagonize management and their security people. It's kind of hard though, especially when some of the people they've hired to 'watch out for us' on the picket line have been so aggressive and disrespectful towards us."

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IKEA Tries to Coerce Cancer Patient to Cross Picket Line by Withholding Medical Benefits

Workers perceive a consistent pattern of intimidation and antagonism completely contradictory to the IKEA culture they have been proud to help establish over the past three decades and now see eroding before their eyes. Testimony received by the commission from IKEA employee Katina Kosa is particularly striking. Ms. Kosa is locked out and is also struggling with cancer. She reports being denied coverage through medical benefits until, she was told by IKEA management, she agrees to cross the picket line and sign forms indicating her agreement to the terms of the company's last offer. In her own words:

I have been an employee of IKEA for 22 years and have thoroughly enjoyed working there and being part of the family. I feel disappointed and heartbroken that this has even happened. The store and its success are partly due to the hundreds of workers who are currently standing on the outside and fighting for our rights. I want to be there with them and be part of the fight, but my current health prohibits me from doing so.

Ms. Kos is far from the only worker who has suffered as a result of IKEA Richmond's illegal and immoral actions. Many IKEA Richmond workers and their families are suffering. Some families have had to seek assistance from local food banks.⁷



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Employees Encourage IKEA Richmond to 'Walk The IKEA Talk'

At the public hearing in Vancouver, the Commission heard testimony from Marc Caron, a long-serving IKEA employee, values trainer and picketer. His comments are demonstrative of the passion and care IKEA Richmond workers have felt for the company, as well as an overwhelming sense of disappointment with what appears to be a company sharply moving away from the ideas it espouses:



Marc Caron, 21-year IKEA Richmond Employee

IKEA stands for creating a better everyday life for the many. [...] I've asked myself and asked many others during this time, 'what would Ingvar Kamprad do?' Why are 'the many' on the picket line? We are out there because the company has told us, if you don't want what we're offering, there's the door. You can come back to work only if you take what you didn't want. [...]

IKEA used to be a company that wanted its employees to be comfortable. That's what it was like when I started, and I thought, 'wow, this company's pretty awesome; they've got some great values and things I can really connect to.' [...]

All of a sudden, IKEA makes no mistakes. They're like their own demigods in the furniture world, and they won't listen to people. But they are very quick to tell you that you are wrong and that what you have to say doesn't matter. [...]

IKEA is supposed to be about finding a different way. In my opinion, the nine points of Ingvar Kamprad need to be applied to this situation, because they will solve it and solve it quickly. [...] If we were to live by IKEA values and the IKEA way, there would be respect for the fact that we have a union, for organized labour.

Toward the end of his testimony, Mr. Caron made an impassioned plea to IKEA:

I don't see how what IKEA is doing is creating a better life for the many. Walk your talk, IKEA: step up to the plate, tear down your fences, get rid of your security, and get us back to work.

Find a way.

How **IKEA** Is Hurting Families

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Conclusions

Based on the testimony, interviews, research and in-person visit to Vancouver and Richmond in British Columbia, the UNI/ITF Global Commission of Inquiry into the IKEA lockout in Richmond, British Columbia, Canada concludes:

IKEA management at their store in Richmond has adopted a radical anti-worker agenda that opposes unionization campaigns and encourages union decertification. The management proposals at the bargaining table with store workers organized in Local 213 of the Teamsters seem designed to provoke an industrial dispute. The company's most recent and unprecedented proposal ties wage increases to store wide sales increases at a time when the company has played musical chairs with its store managers for the last seven years. Perhaps one of the most troubling aspects of the IKEA Richmond dispute is the degree to which IKEA, a company with a long-standing reputation for respecting labour rights in other countries, has deployed not only union-busting tactics but has also engaged in an alliance with the same players involved in attacks on fundamental labour rights across Canada. The worker bargaining committee has shown flexibility in finding a mutually acceptable path to a new collective bargaining agreement, but its pragmatism is being met by an ideologically driven inflexible management seemingly willing to do anything to discourage the workers unity and resolve.

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Recommendations

- 1. IKEA must end the lockout and return to the negotiating table without preconditions until a mutually acceptable collective agreement has been achieved.** We call upon IKEA to return to their values and philosophy that has served them well for so long and been the basis for their success in the past.
- 2. IKEA must end its support of Labour Watch, break with the radical anti-union agenda in Canada and ensure its outside legal advice follows the global standards of IKEA.** The deteriorations in labor relations over the last seven years and the current lockout has led to a huge breach of trust with the work force – a sense of betrayal and confusion – an alienation from a company and a culture where they had grown in previously and identified closely with for many years.
- 3. IKEA should set a new voluntary standard for its employees in Canada and worldwide by engaging with UNI Global Union towards a Global Framework Agreement.** Renewed commitments to cooperative labor standards with monitoring and enforcement mechanisms are needed to ensure workers' rights in IKEA's operations in Canada and worldwide, including the right to freedom of association and collective bargaining without fear of retaliation, and the right of workers' representatives to enter all workplaces.

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ENDNOTES

1. See for example the Ikea Group Sustainability Report at http://www.swedspan.com/en/c/document_library/get_file?uuid=68cbbc78-25eb-4f2b-877e-196c9e117ec8&groupId=10908
2. UNI Commerce Report to IKEA Global Union Alliance, May, 2013
3. Logan, John (2013) "IKEA's Race to the Bottom in Turkey"
4. Good Business with Common Sense : http://www.swedspan.com/en/c/document_library/get_file?uuid=68cbbc78-25eb-4f2b-877e-196c9e117ec8&groupId=10908
5. Jackson, Andrew (2013). "Up Against the Wall: The Political Economy of the New Attack on the Canadian Labour Movement." Just Labour: A Canadian Journal of Work and Society. Vol. 20. Summer 2013. 51-63.
6. View the full video of the public hearing here: <https://www.youtube.com/watch?v=U4p-KQQQVSM>.
7. Luke, Paul. "Hardships pile up as six-month-long labour dispute drags on at Richmond Ikea Store." The Providence 2 Dec. 2013. <http://www.theprovince.com/business/Hardships+pile+Ikea+Teamsters+dispute+drags+Richmond+store/9234045/story.html>