

**Labour**

Journal of Canadian Labour Studies

**Le Travail**

Revue d'Études Ouvrières Canadiennes



## **“Just Business”**

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Volume 72, automne 2013

URI : <https://id.erudit.org/iderudit/1020746ar>

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Éditeur(s)

Canadian Committee on Labour History

ISSN

0700-3862 (imprimé)

1911-4842 (numérique)

[Découvrir la revue](#)

Citer cette note

Russell, J. (2013). “Just Business”: 1970s Management Paternalism and Failed Service Sector Unionization. *Labour / Le Travail*, 72, 130–148.

## RESEARCH NOTE / NOTE DE RECHERCHE

# "Just Business": 1970s Management Paternalism and Failed Service Sector Unionization

**Jason Russell**

THE 1970S WAS A PERIOD when Canadian workplaces changed significantly. High inflation, wage controls, generational difference, and electoral politics led workers to either considering unionization or to exercise their rights as union members to push for better working conditions. Indeed, in October 1976, the Canadian labour movement mounted a one day protest that was the closest thing to a general strike in the post-World War II decades. These developments occurred as service sector employment flourished across the country. The mid-1970s were also years when employers in both Canada and the United States showed increasing willingness to challenge the right of workers to organize and form unions.<sup>1</sup>

We know much about the nature of the post-war labour relations system from work done by various authors on the increased hostility shown by both the state and capital toward labour beginning in the 1970s. The labour relations system was in many ways focused on manufacturing industries, and analyses of those industries have generally addressed unionized workers and their employers. There have been fewer analyses of non-unionized workplaces and occupations. Research on labour-management relations in North America in the post-war period has often looked at workplace conflict from the perspective of workers rather than management. Some employers were more hostile toward labour than others, and some went to great lengths to avoid

1. One of the more noteworthy, if infrequently cited, sources on this theme is Jonathan D. Rosenblum *Copper Crucible: How the Arizona Miners' Strike of 1983 Recast Labor-Management Relations in America* (Ithaca 1998).

unionization. Labour historians in Canada and the United States have made significant efforts to improve our understanding of how management operated in the post-war decades, but have largely done so by examining labour-management interaction at larger workplaces, and often at workplaces that either unionized or at least witnessed a major dispute before unionization failed.<sup>2</sup>

This article discusses a case study of union avoidance that is part of a larger study that focuses on the development of management as an occupation in the four decades following World War II. The firm that is at the center of this analysis – Hobbs Hardware – is best described as a place that was in between those workplaces that have already been discussed in post-war labour history. Founded in London, Ontario in 1876, it was a hardware distributor that purchased a range of consumer goods from manufacturers and sold them wholesale to retailers. It was part of the vast distribution network that linked manufacturing to markets. As Nelson Lichtenstein has observed, even management theorist Peter Drucker felt that little was known about how distribution networks operated in the post-war decades.<sup>3</sup> Companies like Hobbs were part of that distribution network, and were linked to the growing post-war service sector. The company went from a family-owned enterprise to eventually being taken over by Aikenhead Hardware in 1968. From there, both Hobbs and Aikenhead became components of the Canadian-owned Molson conglomerate in 1971. Although it was part of the retail industry, the Hobbs Hardware head office was located on Oxford Street East in London, firmly in the city's busy industrial area. Major workplaces that were organized by the United Auto Workers (UAW), such as General Motors and 3M, were just a couple of kilometres down the road from the Hobbs Hardware facility.<sup>4</sup>

Hobbs Hardware was important because it was unlike so many other workplaces that have been the focus of existing studies of labour-management conflict in the post-World War II decades. Hobbs Hardware was not large even though it became part of Molson. Unionization was not the cause of a long struggle like the one that Eileen Sufrin examined at Eaton's. Hobbs Hardware workers were not employed in manufacturing like those who have been studied

2. On the post-war system see Panitch and Donald Swartz, *From Consent to Coercion: The Assault on Trade Union Freedoms*, third edition (Aurora 2003); and Peter McNis *Harnessing Labour Confrontation: Shaping the Postwar Settlement in Canada, 1943–1950* (Toronto 2002). Also, see Jeff Cowie, *Capital Moves: RCA's Seventy Year Quest for Cheap Labour* (Ithaca 1999); Kim Phillips-Fein, *Invisible Hands: the Making of the Conservative Movement from the New Deal to Reagan* (New York 2009); Joan Sangster, "The Softball Solution: Female Workers, Male Managers and the Operation of Paternalism at Westclox, 1923–1960," *Labour/LeTravail*, 32 (Fall 1993), 167–199; and Robert Storey, "Unionization Versus Corporate Welfare: The Dofasco Way," *Labour/LeTravail*, 12 (Autumn 1983), 7–42.

3. Nelson Lichtenstein, *The Retail Revolution: How Wal-Mart Created a Brave New World of Business* (New York 2009), 26.

4. Archive and Research Collections Centre (ARCC), Western University, Hobbs Hardware Fonds, Box A00-070-073, *Doors and Hardware*, October 1976.

at companies like Dofasco, Kodak, and RCA. It was a fairly anonymous place in comparison to larger, more well-known companies. Its anonymity made it important because places like Hobbs Hardware show how management in the post-war period – in this case the mid-1970s – orchestrated effective campaigns to keep low-wage workers out of unions. This is especially true for those workers who toiled in seemingly inconsequential workplaces that were part of the growing service sector, and where unionization was largely prevented. The fact that unionization did not expand into the service sector would have lasting consequences for workers in service industries, for class relations across sectors, and for the Canadian labour movement.<sup>5</sup>

This analysis utilizes archival documents, but also relies on the memories of three former Hobbs workers: Steve Ashton, Ed Perkins, and Doug Perkins. Ashton was a warehouse worker. Ed Perkins was a sales manager and his son Doug worked at Hobbs as a student and full-time for a couple of years following his graduation from university. This analysis emphasizes the material circumstances of employment at Hobbs Hardware, but it also shows that management had a clear self-identity that was rooted in gender, was increasingly driven by a clear ideology, and was ordered by a need to be in absolute control of the workplace. Neoliberalism began to publicly emerge as a social and economic ideology in the 1970s, and its influence was felt even at places like Hobbs Hardware.

## Management

PATERNALISM WAS ALSO A KEY PART of the Hobbs Hardware workplace. Paternalism was a common management approach in the post-war decades but, as Clare Pentland noted, it has long been a feature of Canadian workplaces.<sup>6</sup> It essentially involved the employer positioning itself as a friend and pseudo-parent to workers. As Joan Sangster found in her study of Westclox, paternalism was used to maintain existing power relationships in the workplace.<sup>7</sup> Paternalism was employed through a range of methods that usually involved trying to foster a family atmosphere in the workplace. In the case of Westclox, management made paternalism into policy through something called the Westclox Way.<sup>8</sup> At Dofasco, management went even further and instituted more formal welfare capitalism through the Dofasco Way.<sup>9</sup> Nelson

5. On the Eaton's organizing drive see Eileen Sufrin, *The Eaton Drive: the Campaign to Organize Canada's Largest Department Store, 1948 to 1952* (Toronto 1982).

6. See H. Clare Pentland, *Labour and Capital in Canada, 1650–1860* (Toronto 1981) for a discussion of paternalism's roots in Canada.

7. Sangster, "The Softball Solution," 169.

8. Sangster, "The Softball Solution," 173.

9. Storey, "Unionization Versus Corporate Welfare," 173.

Lichtenstein has noted how Wal-Mart went to great lengths to foster a family atmosphere rooted in the culture of the southern United States, with the employer as patriarch fostered through the deliberate construction of a corporate employee identity.<sup>10</sup> Lastly, as Bryan Palmer noted in his analysis of Goodyear's operation in Napanee, Ontario, employing paternalism could involve a careful orientation program for new employees that emphasized to them how they were the firm's most important asset.<sup>11</sup> Indeed, in the case of Goodyear, the company used paternalism to manipulate an entire community. Paternalism has thus been found at different times and in different locations across North America. Its forms have varied through historical time and have been utilized differently by particular firms and in diverse employment settings, but its general features always entail conscious attempts to bond workers to employers.

Hobbs Hardware did not have a formally described "way" but company managers were nonetheless masters of workplace paternalism as they strove to foster a family work environment. Management was comprised of men who rose through the company's ranks, often as sales representatives. Ed Perkins, who worked at the firm from 1946 to 1985, was initially employed as an order boy. This involved filling orders for sales representatives. Perkins found the job as his uncle – Ed Wilkins – was at that time owner of the company. Perkins eventually became a sales representative and later the company's sales manager. There appears to have been a deliberately orchestrated culture of informality among senior management in the firm, most likely because they were a small group.<sup>12</sup>

Hobbs Hardware pursued a business strategy of being a niche participant in the hardware business. Most of its customers were in small towns across Ontario. For instance, Ed Perkins described servicing hardware stores in towns like Tillsonburg and developing a good rapport with the families that owned those operations. Hobbs Hardware management dealt with what were colloquially known as "mom and pop" retailers, and in turn viewed themselves as being a kind of family operation.<sup>13</sup> Retail profit margins are often known to be less lucrative than those in other industries and Hobbs Hardware managers likely felt that they could not afford to pay higher wages. Management still used other methods to compensate their workers that would not require higher wages or more expensive pensions. They made extensive use of employer paternalism.

10. Lichtenstein, *The Retail Revolution*, 119.

11. Bryan D. Palmer, *Capitalism Comes to the Back Country: the Goodyear Invasion of Napanee* (Toronto 1994), 138.

12. Ed and Doug Perkins interview with author, 24 October 2011.

13. Ed and Doug Perkins interview.

The extent to which Hobbs Hardware management practiced paternalism is remarkable, especially considering the size of the firm. Much of management's efforts revolved around social events, much as it did at places like Dofasco, Westclox, and Goodyear. Hobbs management hosted dinners and other gatherings as early as the mid-1960s, including events with alcohol on company premises.<sup>14</sup> A full-fledged social club and newsletter appeared by the early 1970s. Social events seem to have been very popular, at least with management, administrative, and sales staff. Ed and Doug Perkins recalled the company arranging a range of social events. Steve Ashton, who worked in the warehouse from 1974 to 1977, also remembered such events but did not recall them being well-attended by the warehouse staff.<sup>15</sup>

The motivation behind hosting social events was quite clear. The Hobbs Social Club Constitution stated that "the purpose of the organization shall be to provide the best and most economical social activities for our employees as well as to act as a liaison between employees and management."<sup>16</sup> Several social club committees were established to handle entertainment, sports, and the newspaper. The main committee was comprised of 12 members, which is considerable considering that the company only had 82 workers by the mid-1970s. A committee of that size would have included over a sixth of the company's workforce. The club also had an advisory committee that was comprised of the company president, general manager, and retiring chairman of the social club.

The objective of drawing large numbers of workers closer to the firm through social events seems to have been met. The 1971 children's Christmas party revealed the importance placed on entertainment by the social club committee, and even more so by company management. Thirty-eight children attended the party, which was planned with great precision. It was well-attended – one family brought ten children. The party attendees ranged in age from six months to twelve years, and it was held in a barn. Each child was provided with a gift, and a wrapping schedule was stipulated. Furthermore, each child would receive "exactly two quarter sandwiches and a couple of cookies." The entire event was planned in timed increments, and lasted precisely four hours. This was not a casually developed party, but was carefully coordinated with Fordist efficiency to adhere to a budget while also showing how much the firm appreciated its workers' families.<sup>17</sup>

The social club ran several events every year including three dances, an adult Christmas party, and a picnic. These events were also well-attended. In both 1969 and 1970, the Christmas party was attended by 250 people. Since

14. ARCC, Hobbs Hardware Fonds, AOO-070-23, photo of social event, January 1963.

15. Ed and Doug Perkins interview. Steve Ashton interview with author, 17 October 2011.

16. ARCC, Hobbs Hardware Fonds, AOO-070-055, "The Constitution for Hobbs Social Club."

17. ARCC, Hobbs Hardware Fonds, AOO-070-055, "The Constitution for Hobbs Social Club."

Hobbs Hardware was in the retail trade, and dealt extensively with a range of product vendors, it is probable that guests from other firms were invited to attend, especially since the number of people attending some of the social events exceeded the total number of Hobbs employees.<sup>18</sup>

Hobbs Hardware management was consciously trying to form a social landscape, but on a smaller scale than firms like Sears and Wal-Mart. Other London-area employers pursued similar programs, although their efforts diminished in the early 1970s. For instance, Kelvinator of Canada – a large appliance manufacturer – maintained a very active social club and published a sophisticated internal newspaper. The Kelvinator children's Christmas party attracted hundreds of attendees in the early 1960s but activity declined by the latter part of the decade and the plant's closure. Hobbs Hardware managers still endeavored to keep social events going at the turn of decade.<sup>19</sup>

The Kelvinator newspaper emphasized domesticity and frequently included photos of beaming couples in their wedding photographs, and images of healthy newborn babies. Family, sobriety, and duty to the firm were emphasized. Family-oriented activities also loomed large at Goodyear, Westclox, and Dofasco. The situation at Hobbs Hardware was different. Although social events, including the children's Christmas party; also were planned with great care, the overall emphasis at Hobbs Hardware was on adult events that were not especially family-oriented. There are no celebrations of domesticity in the company newsletter, but gender played a prominent role in company social events.

Hobbs management hosted service award banquets every year. As Figure 1 shows, women received a kiss from a senior male manager. Men got a firm handshake. Women employed at Hobbs appear to have gone along with this treatment, most likely because they had no other recourse. There is no record of any formal complaint being filed over harassment. A 1975 Hobbs newsletter included what were supposedly humorous anecdotes about women that reveal much about gender attitudes towards women at the company. One read:

An office manager was asking a girl applicant if she had any unusual talents. She said she had won several prizes in crossword puzzle and slogan-writing contests. "Sounds good" the manager told her "but we want someone who will be smart during office hours." "Oh" said the girl "this was during office hours."<sup>20</sup>

Unlike women in unionized industrial jobs, women at Hobbs Hardware could not turn to a union or anyone else to make things better.<sup>21</sup>

18. ARCC, Hobbs Hardware Fonds, AOO-070-055, "The Constitution for Hobbs Social Club."

19. Author's personal collection, copy of the *Kelvinator Gazette*, February 1962.

20. ARCC, Hobbs Hardware Fonds, AOO-070-075, file: Newsletters 1975.

21. See Pamela Sugiman, *Labour's Dilemma: the Gender Politics of Auto Workers in Canada, 1937–1979* (Toronto 1994).





Every woman who was recognized for service at this particular banquet in 1982 was kissed by this male manager.

Source: ARCC, Hobbs Hardware Fonds, A00-070-23.

Hobbs Hardware management successfully created a unique social sphere that drew a lot of employee involvement, but it was a system built on profound gender inequality. In terms of managerial and administrative work, Rosabeth Moss Kantor noted how workers assumed identities that were shaped by the social dynamics of their workplaces, and suggested that “behaviour in organizations can only be fully understood when there is adequate appreciation of the self-perpetuating cycles and inescapable dilemmas posed by the contingencies of social life.”<sup>22</sup> She referred to administrative and white collar workers when making that observation, but it nonetheless applies to how the social sphere operated at Hobbs Hardware, where management was essentially crafting consent through the firm’s social sphere. Workers may well have felt obliged to participate in the social club and believed that doing so would enhance their job security.

22. Rosabeth Moss Kantor, *Men and Women of the Corporation* (New York 1977), 10.



## Workers

GENDER AND OCCUPATIONAL HIERARCHY were key aspects of the Hobbs Hardware work environment. There were 82 employees in the mid-1970s, and they comprised 4 distinct groups. The company had a small number of managers led by company president Jim Aikenhead and general manager Ray Allen. There was a group of twelve salesmen, most of whom were located in the main London office. Those two groups were at the top of the organizational hierarchy. Below them were the clerical and warehouse staffs. The warehouse staff filled a number of different jobs – from Summer Help to Receiver – and there were 26 workers in those classifications. As subsequent analysis will show, the clerical staff was arguably at the bottom of the organizational hierarchy. This was also the employee group in which Hobbs Hardware's seven female employees were found.<sup>23</sup>

London was home to a number of major unionized industrial employers in the mid-1970s including Northern Telecom, General Motors Diesel, Kellogg's, Labatt's, Firestone, and 3M. There were also a number of smaller factories such as Phillips Electronics, Proto Tools, and Sparton of Canada. Hobbs Hardware was geographically situated close to nearly all of them, but it was different from those firms as it sold finished products as a wholesale distributor to retailers. The employment terms at Hobbs Hardware were not equal to other London workplaces like General Motors Diesel or Northern Telecom. The company provided health, dental, and pension benefits to workers, but they were not as generous as those enjoyed by unionized workers in London in the mid-1970s. The Hobbs Hardware pension plan was essentially a group investment fund from which workers could transfer their contributions into an annuity.<sup>24</sup> The wages paid to Hobbs staff were also lower than those earned in many industrial workplaces. For instance, salesman John A. – someone with long tenure at the firm – earned \$365 bi-weekly when he retired in 1977.<sup>25</sup> This wage worked out to \$9,490 per year. In the same year a clerk in the office of the Bendix auto parts plant, a bargaining unit with 35 workers that was organized by the United Auto Workers (UAW), earned a starting rate of \$201.60 per week.<sup>26</sup> This worked out to \$10,452 – almost one thousand dollars per year more than a senior salesman at Hobbs.

23. ARCC, Hobbs Hardware Fonds, Box A00-070-075, file: Union 1975.

24. Several employee personnel files showed that annuity arrangements were made through London Life. Dental coverage was provided through Confederation Life.

25. ARCC, Hobbs Hardware Fonds, Box A00-070-001, Personnel Files. The research agreement concluded with ARCC at the D.B. Weldon Library at the University of Western Ontario stipulates that former Hobbs personnel may not always be referred to by their full names for confidentiality reasons.

26. Archives of Ontario (AO), RG7-33, Box B347127, Item 325-024, UAW Local 27 and Bendix, 1977–1980.

Registration clerk Cindy F. was hired in 1980 at a rate of \$120 per week, or \$6,240 per year.<sup>27</sup> Her counterpart at Bendix made \$212 per week in that year, or \$11,024 in total.<sup>28</sup> This latter comparison in particular shows the difference between a non-unionized Hobbs Hardware worker and a unionized worker in an industrial setting. In 1981, the average yearly female wage in London was \$8,663.<sup>29</sup> Women working at Hobbs were thus paid well below the average female wage in the city.

The Hobbs workforce was mostly male and ethnically homogeneous. The vast majority of last names on employee lists were Anglo or western European. Most workers also grew up in London, or in communities near the city. There is little evidence of many people having migrated either from within Canada or from abroad to ultimately find work at Hobbs. Furthermore, even though community college education was readily available at institutions like Fanshawe College by the mid-1970s, hardly any Hobbs workers possessed post-secondary education. Cindy F. was one of the few staff, all of whom were in administrative jobs, who had post-secondary training. In her case, she had a two-year diploma in Purchasing. Some workers had not completed high school.<sup>30</sup>

Most of the Hobbs Hardware workers were instead like salesman Ronald C. He completed elementary school in 1950, and then two years of high school in 1952.<sup>31</sup> Gerry D., who worked in the warehouse, took ten years to complete elementary school in 1972, and then attended Sir George Ross secondary school in London until 1974.<sup>32</sup> Sir George Ross secondary school was widely known in London to offer vocational training, but of a very basic nature. This was not a workplace, then, that featured skilled workers who had completed much formal training.

Most Hobbs Hardware workers had previously been employed at more than one workplace, and earned wages that were comparable to what they earned at the hardware distributor. Salesman Ronald C. was hired in 1978, but had worked for four other employers between 1974 and his arrival at the company. Clerical worker Norma A. was hired in 1973, but had also been employed at three other places between 1955 and her start at Hobbs. This was a workplace with a fair amount of turnover, and the people who were hired had always earned modest incomes. The ideal of acquiring a well-paid job and holding

27. ARCC, Hobbs Hardware Fonds, Box A00-070-001, Personnel Files.

28. AO, RG7-33, Box B347127, Item 325-024, UAW Local 27 and Bendix, 1977–1980.

29. *1981 Census of Canada, Provinces (Ontario)*, Table 28-1; *1981 Census of Canada, Profiles of Census Tracts in London, Sarnia-Clearwater, and Windsor – Part B*, 16–17.

30. ARCC, Hobbs Hardware Fonds, Box A00-070-001, Personnel Files.

31. ARCC, Hobbs Hardware Fonds, Box A00-070-001, Personnel Files.

32. ARCC, Hobbs Hardware Fonds, Box A00-070-001, Personnel Files.

on to it for the duration of a person's career was not the experience for Hobbs Hardware workers.<sup>33</sup>

Many workers lived in modest material circumstances. In 1976, 42 percent of London homes were rented.<sup>34</sup> The job applications completed by Hobbs employees suggest that many of them – especially those working in warehouse jobs – were renters rather than owners. In fact one employee – Maurice H. – indicated on his job application that he resided at the Men's Mission before eventually renting an apartment.<sup>35</sup> People like him were in many ways on the economic fringes of mid-1970s London and on the periphery of the labour market, so any kind of job would have been better for him than unemployment and continued residence at the mission.

Hobbs Hardware management worked to impart a veneer of objectivity to how workers were treated. For instance, a seemingly consistent method of screening, hiring, and evaluating employees was implemented. However, even under this veneer of objectivity, there were clear variations in how workers were evaluated. A man's ratings on accuracy, alertness, and creativity were assessed. Women were held to a higher standard on the job and were given probationary evaluations based on the following criteria:

- |                       |                    |
|-----------------------|--------------------|
| • Friendliness        | • Personality      |
| • Personal Appearance | • Physical Fitness |
| • Attendance          | • Housekeeping     |

Each of these criteria were measured on an un-numbered scale. A woman who scored badly on personal appearance was thought that be "very untidy" and have "poor taste in dress". One who was rated at the top of the scale was considered to be "unusually well-groomed; very neat" and have "excellent taste in dress". A woman applying for a job was also assessed on the following criteria:

- |  |                |
|--|----------------|
| • Appearance                           | • Friendliness |
| • Poise                                | • Personality  |
| • Conversational Ability               | • Alertness    |
| • Information About General Work Field | • Experience   |
| • Drive                                | • Overall      |

An unfriendly woman was "very distant and aloof" while one at the other end of the assessment scale was "extremely friendly and sociable". The idea that these were objective assessments was highly specious, since virtually all of the assessment and interview criteria for women were subjective in nature. They

33. ARCC, Hobbs Hardware Fonds, Box A00-070-074, Personnel Files.

34. Statistics Canada, *Census of Canada, 1976, London Population and Housing Characteristics*, 1.

35. ARCC, Hobbs Hardware Fonds, Box A00-070-074, Personnel Files.

provide stark insights into how management viewed male and female labour, and suggest that a man's appearance was not necessarily germane to his work performance, but his potential for creativity was important. In contrast, women did not need to have had any creativity as long as they were attractive, socially engaging, and showed a degree of alertness. A man's labour was thus thought to have more value while women were basically social objects in the workplace. It is also possible that, even though interest in unions was not noted during hiring and later assessment, management may have used various ways to identify people who may have seemed more amenable to union membership. Furthermore, those assessment processes were a part of an overall pattern of paternalism as they helped identify which people – especially women – would most readily conform to the Hobbs Hardware work place.<sup>36</sup>

### **Changes in the mid-1970s and the Teamsters' Organizing Drive**

IT IS NOTEWORTHY THAT, based on both oral remembrances and archival data, managerial and sales employees were the most contented workers at Hobbs Hardware. This feeling was surely based on the fact that such workers were in groups whose gender and job titles put them at higher levels of the organizational hierarchy. Both Ed and Doug Perkins remembered that nobody was laid off in the years prior to the mid-1970s. This was part of what Doug Perkins described as an "old school" approach to management that fostered a "paternalistic feel" in the whole organization. This changed when the company became part of the Molson conglomerate. For Molson, the social aspect of the company's workplace culture did not matter. It was "just business" for Molson management. The emphasis was, Doug argued, on the need to "grow, grow, grow, big, big, big" in terms of what Molson wanted from Hobbs Hardware. This led to an overall change in how people viewed their jobs, with Doug Perkins noting the difference that Molson brought:

You come into work every day, the company will look after you. You won't get rich but, when time got slow...we did busy work. By the time that I left and Molson took over, there was no sense that the family would look after you. It was just business. Okay, well, if it's just business, then I want more money. If it's just business, I'm leaving at 4:30 'cause that's when I'm punching out. When I started there, there were no time clocks. When I left, there were time clocks.

Doug Perkins also noted that the company traditionally had very low staff turnover, and suggested that there was high morale before Molson took over. Employee turnover increased rapidly after the ownership change, and morale clearly worsened. Some Hobbs Hardware workers also thought that, if it was just business with Molson, then they wanted a union.<sup>37</sup>

36. ARCC, Hobbs Hardware Fonds, AOO-070-074, Personnel Files.

37. Ed and Doug Perkins interview.

Hobbs Hardware management was encouraged to develop negative views regarding unions, and those views reflected the opinions of many corporate managers in Canada. As Lichtenstein has noted within an American context, and Eileen Sufrin has shown from a Canadian perspective, North American retailers were often hostile to unions in the post-war decades.<sup>38</sup> Union militancy increased in Canada in the early 1970s. For example, the number of strikes across the country grew from 582 in 1968 to 724 in 1973.<sup>39</sup> Similar increases happened in Ontario, with 204 strikes in 1968 and 286 in 1973.<sup>40</sup> Some service sector workers in mid-1970s London engaged in protracted struggles to unionize at places like AWL Steego (an auto parts distributor).<sup>41</sup> Since workers at Hobbs Hardware were located in London's industrial east end, they would have no doubt been aware of the benefits of union membership and type of labour conflicts that were going on in the mid-1970s. They would also have noticed how unionized industrial workers – especially men – demanded and got respect from management. Thus, by the spring of 1976, either some workers at Hobbs Hardware approached the International Brotherhood of Teamsters' (IBT) Local 141, or the union approached them, and an organizing drive was underway. Management quickly learned what was happening. Company management, though running a comparatively small firm within the Molson conglomerate, implemented a sophisticated agenda to ensure that the IBT would never be certified. There had not previously been any recorded attempts at unionization at Hobbs Hardware.

Ed Perkins, who was sales manager when the organizing drive started, remembered the management sort of said "what are we going to do about this" to themselves when the organizing drive started. Molson knew what to do about it. Hobbs management drew on union avoidance literature that was provided by the Canadian Manufacturers' Association (CMA). The CMA was a large advocacy group whose membership included most of Canada's large industrial employers. It crafted policy positions on a range of issues, but had a particular interest in topics relating to labour and employment. For instance, the CMA proposed that a version of the American Taft-Hartley Act be introduced in Canada. It opposed allowing public sector workers the right to strike. The CMA also vigorously lobbied against the adoption of international labour standards in Canada, such as those proposed by the International Labour Organization (ILO).<sup>42</sup>

38. See Lichtenstein, *The Retail Revolution* and Sufrin, *The Eaton Drive*.

39. Canada Department of Labour, *Strikes and Lockouts in Canada, 1968*, 22; Labour Canada, *Strikes and Lockouts, 1973*, 20.

40. Labour Canada, *Strikes and Lockouts, 1973*.

41. On the 1974 organizing drives at AWL Steego see Canadian Auto Workers Local 27, *Celebrating Our Fiftieth Anniversary, 1950 to 2000* (London 2000).

42. AO, Canadian Manufacturers Association Fonds, RG7-12-10 and RG7-1-0-1881, 1.

At a time when neoliberal economic thought was just beginning to gain widespread traction in social discourse, the CMA enthusiastically endorsed the work of neoliberal economic thinkers. Its 1971 conference featured a keynote address by Sylvester Petro, who was a long-time member of the Mont Pelerin Society and opposed the post-war labour relations systems found in North America.<sup>43</sup> Petro also wrote a book called *The Labor Policy of the Free Society* in which he condemned unions for using coercive methods to maintain themselves while barring non-union workers from gaining access to labour markets.<sup>44</sup> As Joseph McCartin and Jean-Christian Vinel have recently noted, Petro did not achieve the same level of notoriety enjoyed by other neoliberal theorists, but his views played a key role in buttressing libertarian views of labour in the 1970s and 1980s.<sup>45</sup> He was a major neoliberal thinker, and his views surely had an impact on CMA policy positions regarding organized labour. Those policies in turn helped influence Hobbs Hardware management.

Molson disseminated anti-union literature to its London subsidiary. The hardware firm's management was provided with detailed information on how unions initiated organizing drives, and on how to legally respond to an organizing drive. Managers were formally advised that employees were free to join a union without employer interference. The company pursued an explicitly "union free management program" that was communicated to all hardware divisions.<sup>46</sup> A successful union free agenda included responding to employee complaints, communication, staff meetings, clear hiring procedures, recognition of the "humanness" of employees, social clubs, and efforts to treat people better than a union would.<sup>47</sup>

It is unclear from the interview with Steve Ashton why workers at Hobbs chose to try and organize with the IBT.<sup>48</sup> This union was in many ways an unusual choice. In 1976, the IBT had just under 78,000 members in Canada; 2,000 of these members were in the London area.<sup>49</sup> In contrast, the UAW had

43. AO, Canadian Manufacturers Association Fonds, RG7-1-0-1881, Box B353713, 1971 conference program.

44. Sylvester Petro, *The Labor Policy of the Free Society* (New York 1957), 52. The Mont Pelerin Society is a neoliberal organization founded by Friedrich von Hayek in 1947.

45. Joseph M. McCartin and Jean-Christian Vinel, "Compulsory Unionism: Sylvester Petro and the Career of an Anti-Union Idea, 1957–1987" in Nelson Lichtenstein and Elizabeth Tandy Shermer, ed, *The Right and Labor in America: Politics, Ideology and Imagination* (Philadelphia 2012), 226–251.

46. ARCC, Hobbs Hardware Fonds, AOO-070-075, file: Union 1975, "Union Free Management Program." 16 November 1973.

47. ARCC, Hobbs Hardware Fonds, AOO-070-075, file: Union 1975, "Elements of a Union Free Management Program."

48. Steve Ashton interview.

49. Statistics Canada, *Corporations and Labour Unions Returns Act, Part II (International Unions) 1976*, 15, 69.

almost 119,000 members in Canada, with almost 7,000 in London.<sup>50</sup> The UAW had a much larger profile in the city, and thus would have seemed to have been a more attractive option for workers at Hobbs. The IBT was also a union that had acquired a reputation for focusing almost solely on economic bargaining issues and largely eschewed any interest in a social role for unions. As long-time IBT president Jimmy Hoffa once stated “Well, what do you hire us for, if not to sell your labor at the highest buck we can get?”<sup>51</sup> Higher wages may well have been an objective that Hobbs workers sought to achieve, but the IBT was also not a union that spent much time pondering the challenges facing women in the workplace.

The IBT used a narrow organizing strategy at Hobbs that was consistent with their overall approach to collective bargaining. Women may have potentially been the most receptive to unionization, since they were treated in a sexualized manner, but the union focused on 26 male workers who primarily worked in the warehouse. The IBT had already organized workers elsewhere in the Aikenhead chain, as well as having organized warehouse and trucking workers across North America, so warehouse workers at Hobbs would have seemed a conventional group to organize. Aside from noticing how workers like themselves at places such as AWL Steego managed to win some rights at work, and that unionized workplaces proliferated around the Hobbs Hardware facility, men working in the warehouse had obvious personal reasons for contemplating union membership. Hobbs workers would likely have known about the IBT’s organizing success elsewhere in the Aikenhead chain, and also would have felt that organizing with that union would help them at work. Warehouse workers at Hobbs Hardware faced serious issues beyond wages. Every person who worked there in a warehouse job from the mid-1970s to the firm’s closure in 1984 appears to have suffered from at least one workplace injury. Just improving health and safety conditions would have been a significant gain for men working in the warehouse.<sup>52</sup>

Hobbs Hardware management may have felt that they faced a huge challenge from the IBT but, in reality, the efforts that they put into resisting the union were far more aggressive than the union’s attempt to organize the company’s workers. Steve Ashton worked at the company during the organizing drive, and was remembered by Ed Perkins as being a key part of the drive. Ashton recalled things somewhat differently. Twenty-five years later he could bring to mind one meeting at a hotel in south London with a staff representative from

50. Statistics Canada, *Corporations and Labour Unions Returns Act*, 9, 63.

51. Thaddeus Russell, *Out of the Jungle: Jimmy Hoffa and the Remaking of the American Working Class* (New York 2001), 198. This book also discusses how internal and external factors influenced this largely economic orientation toward collective bargaining.

52. ARCC, Hobbs Hardware Fonds, AOO-070-074, Personnel Files.



the IBT, but not much beyond that. It was a half-hearted organizing drive that brought an overwhelmingly negative response from management.<sup>53</sup>

Management may not have had more money for wages, but there was ample money to survey workers and hire labour lawyers. All Aikenhead divisions, including Hobbs Hardware, underwent an employee relations audit in 1975.<sup>54</sup> Communication with employees, wages, personnel administration, job satisfaction, and performance appraisal were noted as areas in need of improvement. Hobbs management did not significantly improve wages following the audit, but they did improve communications. In July 1976 General Manager Ray Allen sent a letter to each employee participating in the certification vote. He advised them that they should vote, and that a small minority of workers could decide the outcome of the election if everyone did not participate.<sup>55</sup> Letters were also sent to people's homes advising them of the need to consider "both sides of the coin" when thinking about unionization.<sup>56</sup>

Captive audience meetings were held, and only men were required to attend them. Management knew that women workers had not been approached by the IBT. Ed Perkins remembered meeting with a group of warehouse employees to tell them that certifying with the IBT would lead to the company closing.<sup>57</sup> Management also stressed the cost of union dues to such an extent that IBT Local 141 countered with a notice to Hobbs workers that indicated how dues would actually be collected and used.<sup>58</sup> The union's well-known emphasis on economic gains was thus thwarted as management was able to successfully question the economic utility of union membership.

Management also held two meetings with groups of workers to discuss their general concerns about the workplace.<sup>59</sup> Questions were raised about a range of issues from wages to overall working conditions. Management proposed forming an employee forum to better address any issues that might arise in future. The promises made in those meetings, along with the fact that the workers who signed cards with the IBT were marginalized and had second thoughts in the face of management resistance, ensured that the certification vote held on 27 July 1976 would end in failure for the union. Nineteen of

53. Steve Ashton interview.

54. ARCC, Hobbs Hardware Fonds, AOO-070-075, file: Union 1975, "Report on the Employee Relations Audit."

55. ARCC, Hobbs Hardware Fonds, AOO-070-075, file: Union 1975, Ray Allen memo, 15 July 1976.

56. ARCC, Hobbs Hardware Fonds, AOO-070-074, Personnel Files.

57. Ed and Doug Perkins interview.

58. ARCC, Hobbs Hardware Fonds, AOO-070-075, file: Union 1975, Teamsters Local 141 Notice, 22 July 1976.

59. ARCC, Hobbs Hardware Fonds, AOO-070-075, file: Union 1975, Meeting Minutes, 30 June 1976.

twenty-six people who participated in the election voted against certification. Hobbs management was more persuasive than the IBT. No further attempts at unionizing anyone at Hobbs were made from then to the firm's closure in 1984.<sup>60</sup>

Hobbs Hardware management was more interested in keeping out the IBT than providing a sufficient wage and benefits package that could sustain a working-class family. Another part of the Aikenhead chain was organized by IBT Local 419 in 1975, and the wages that were subsequently bargained by the union were much higher than those paid by Hobbs. An Aikenhead warehouse worker was paid \$5.45 per hour in 1975, or \$11,336 per year, and also enjoyed seniority protection and paid vacations.<sup>61</sup> In contrast, Hobbs warehouse worker Lloyd M. earned \$8,190 in 1977.<sup>62</sup> Unionization at Hobbs Hardware would have greatly improved the material living conditions of warehouse workers, but would have also increased labour costs, hence management's opposition. For Molson, it was about ensuring that there would be no further unionization across the conglomerate.

### **Just Enough Paternalism**

THE DELIBERATE DECISION by management to resist the IBT drive and the overall change in workplace culture at Hobbs Hardware reveals several important issues that pertain to labour relations in the wider mid-1970s Canadian workplace. For instance, how many post-war service sector workers like those at Hobbs briefly considered unionizing, but were quietly coerced from doing so? How many organizing drives dissipated before the workers even made it to a certification vote? How many workers were made to feel just important enough to be convinced that they did not need a union, and that joining one could cause their workplace to close? Hobbs Hardware management would not have been alone. They drew on the resources of a large industrial conglomerate and a reactionary employer advocacy group, and their peers in other firms would surely have adopted similar anti-union policies. It is regrettably difficult to gauge exactly how many places there were like Hobbs Hardware as there are few archival holdings on marginalized, low-paid, service sector workers.

The decisions made by the IBT were another important part of why working conditions at Hobbs Hardware did not improve. The union targeted a small group of workers at the company, yet had organized a wider range of workers elsewhere in the Aikenhead chain.<sup>63</sup> The IBT did not try to publicly chastise

60. ARCC, Hobbs Hardware Fonds, AOO-070-075, file: Union 1975, Certification Vote Report.

61. ARCC, Hobbs Hardware Fonds, AOO-070-075, file: Union 1975, Teamsters Local 419 and Aikenhead Hardware Company.

62. ARCC, Hobbs Hardware Fonds, AOO-070-074, Personnel Files.

63. ARCC, Hobbs Hardware Fonds, AOO-070-075, file: Union 1975, Teamsters Local 419 and Aikenhead Hardware Company.

**Table 1 – Service Sector Employment in Canada, 1951 - 1981**

Year	Total Number of Canadian Workers – All Occupations	Total Service Sector Employment (percentage)
1951	5,286, 153	1,767,744 (34)
1971	8,626,925	3,196,380 (37)
1981	12,054,155	5,021,475 (42)

Source: Dominion Bureau of Statistics, *Census of Canada, 1951*, Volume IV; Statistics Canada, *Census of Canada, 1971*, Volume III, Part 2; Statistics Canada, *Census of Canada, 1981*, Volume I. The data from 1951 includes occupations in Service, Commercial, Clerical, and Professional classifications. The data from 1971 includes occupations in Clerical, Sales Services, Service, Medicine and Health, Teaching, and Social Science classifications. The data from 1981 includes occupations in Finance and Insurance, Community/Business/ Personal Services, and Public Administration and Defense classifications.

**Table 2 – Canadian Service Sector Union Membership, 1966 - 1981**

Year	Total Number of Canadian Union Members	Total Number of Canadian Union Members in Service Occupations (percentage)
1966	1,895,402	168,690 (8.9)
1973	2,580,112	459,259 (17.8)
1981	3,160,068	736,295 (23.3)

Source: Corporations and Labour Unions Returns Act, 1966, Part 2; 1973, Part 2; 1981, Part 2.

Hobbs Hardware management or mobilize the wider resources of London's labour movement. Moreover, the union let itself be drawn into a narrow debate over the actual cost of dues and the economic utility of union membership. This organizing drive was more about business unionism than giving workers a voice.

What happened at Hobbs Hardware is also noteworthy because of where and when the organizing drive failed. The company was not located in a small town where employers went to avoid unions. Hobbs Hardware was in a city that viewed itself as officially white-collar, but regardless had a large and vibrant industrial sector that was concentrated in the east end. Hobbs Hardware was in the shadow of major unionized workplaces, and its only organizing drive happened in the same year that the Canadian labour movement mounted its most significant day of national protest. There was considerable labour militancy in London in this period, with other marginalized service sector workers attempting organizing drives. Despite this seemingly favourable climate for unionization, Hobbs Hardware management blunted worker aspirations for better working conditions through organizing.

Organizing drives that failed during the 1970s, like Hobbs Hardware, had important consequences for the Canadian labour movement. As Tables 1

and 2 illustrate, service sector employment grew in the post-war years, but unions did not organize service workers in equal proportion. Service sector membership numbers grew somewhat in the post-war years, but such figures include government services that were organized without major campaigns of mobilization. Public sector unionization is therefore widely recognized to have expanded during the 1970s, but there remain many unaddressed issues.<sup>64</sup> In addition, as Linda Briskin has shown, the 1970s were a period when women comprised a growing percentage of union membership in Canada.<sup>65</sup>

Pamela Sugiman has also revealed how women in the United Auto Workers (UAW) fought difficult struggles to promote issues within their union.<sup>66</sup> Indeed, just two years after the failed Hobbs Hardware organizing drive, a group of women UAW members mounted one of Canada's most famous post-war labour struggles at Fleck Industries, which was just north of London in Huron Park, Ontario.<sup>67</sup> Women workers saw the benefits of union membership, and were militant when they were able to actually unionize, yet the IBT did not recognize that women working at Hobbs Hardware could have wanted union membership. The IBT, despite not being particularly progressive, could not have been entirely ignorant of growing militancy among women workers in Canada. The decision not to try and encourage women at Hobbs Hardware to sign union cards may well have deprived the union of its best chance of succeeding. It ensured that women workers would not have any real way of dealing with gender discrimination in the workplace.

The desire for more recognition of the value of their work was probably one of the reasons that the men in the warehouse first considered joining a union. They wanted better wages, but they also wanted acknowledgement that they were men who were equal to those who had higher status jobs like sales representative. At the same time, Hobbs Hardware management employed the threat of business closure to coerce workers. Steve Ashton, who was considered by management to be a key part of a listless organizing drive, was fired in 1977. He felt that it was because he had expressed interest in unionizing. For other low income under-educated men, who may have been living on the economic margins, being asked by management what they really thought about how to make their workplace better would have seemed like a huge accomplishment

64. On the expansion of public and private sector unions in the post-war decades see Craig Heron, *The Canadian Labour Movement: A Brief History* (Toronto 1996) and Bryan Palmer, *Working-Class Experience: Rethinking the History of Canadian Labour, 1880–1991* (Toronto 1992).

65. Linda Briskin, "Women and Unions in Canada: a Statistical Overview" in Linda Briskin and Linda Yanz, eds., *Union Sisters: Women in the Labour Movement* (Toronto 1983), 28–43.

66. See Sugiman, *Labour's Dilemma*.

67. On the Fleck Industries strike see Heron, *The Canadian Labour Movement*, 144, and Heather Jon Maroney, "Feminism at Work," *New Left Review*, 141 (September–October 1983), 51–71.

even though it also represented a form of paternalism. This feeling may have been accentuated by the fact that the union that those men considered joining had not effectively opposed management during the organizing drive.<sup>68</sup>

By the mid-1970s, workplace paternalism was used just enough to prevent unionization. Employers adopted sophisticated methods of union avoidance and the idea of being “union free” became a bigger management objective than the desire for workers to feel part of a workplace family. For instance, Hobbs Hardware management may have successfully isolated women away from the male warehouse workforce to such an extent that joining a union along with their male co-workers may not have had much attraction for them. Women did the routine administrative work at Hobbs Hardware, and would certainly have been aware that they were being held to a much different standard than men when it came to their job performance.

New management approaches brought serious consequences for Hobbs Hardware workers due to the failure of unionization, and likely for workers in other similar workplaces that experienced union organizing and paternalism in the 1970s. The Hobbs Hardware brand of paternalism – even though it was diminished by the time of the organizing drive – degraded women by systematically treating them differently than men through methods like job performance evaluation. It also kept workers on the economic margins. Morale remained low and employee turnover stayed high. The Hobbs Hardware “family” environment that engaged workers at the company until Molson bought it did not help low-wage workers, but the abandonment of many methods of paternalism in favour of profit maximization also led to worker disillusionment.

The mid-1970s organizing drive at Hobbs Hardware importantly shows that low-wage service sector workers at companies that were comparatively anonymous wanted to unionize, but could be effectively stopped by management. For every epic labour struggle like the one at Fleck Industries, there were surely far more failed organizing drives at places like Hobbs Hardware. Looking at workplaces like Hobbs Hardware reveals much about why service sector unionization was difficult in the 1970s and it also shows how patterns of workplace inequality – persistently low wages for certain men and gender discrimination against women – were consequently able to persist in the fastest growing sector of the Canadian economy. Hobbs Hardware furthermore shows the pervasive influence that neoliberal thought had on management in Canada by the mid-1970s. This case study also reveals how determined service sector management was to preserve managerial prerogatives and prevent unionization. It is thus important for researchers to look beyond the more well-known factories and retail outlets, and the more famous struggles that occurred at them, and to consider places like Hobbs Hardware that functioned out of sight, but not out of the minds of the people who worked in them.

68. Steve Ashton interview.

*I wish to thank the archivists at the Archive and Research Collection Centre at Western University and at the Archive of Ontario for their assistance. I also thank the members of the Toronto Labour Studies Group for their comments on an earlier version of this article. Lastly, I thank Bryan Palmer for his invaluable editorial comments.*