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Contemporary Issues Relating to Labour Relations and Human Resources Practices in the Lumber Industry in Quebec

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Résumé- Depuis le début du XX^{e}, l'industrie du bois s'est complexifiée et est devenue un moteur économique important du Québec moderne. Malheureusement, avec les années, ce secteur est devenu quelque peu problématique et l'industrie a dû se réajuster pour espérer demeurer compétitive. Cet article retrace à grand trait, le panorama des trois grands secteurs qui forment l'industrie du bois. Nous y étudions en profondeur les principaux enjeux contemporains relatifs aux relations de travail et pratiques de gestion des ressources humaines qui caractérisent l'industrie, tout en traçant un portrait d'avenir considérant le développement technologique, la concurrence mondiale et le choc démographique.
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CONTEMPORARY ISSUES RELATING TO LABOUR RELATIONS AND HUMAN RESOURCES PRACTICES IN THE LUMBER INDUSTRY IN QUEBEC

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Contemporary Issues Relating to Labour Relations and Human Resources Practices in the Lumber Industry in Quebec

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I. Introduction

The forestry field, in Quebec, has faced many upheavals in the past twenty-five years. Thus, during this period, we saw more closing logging camps, whose number dropped from more than fifteen in the early 60s to just below seven in the late 80s.

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On the other hand, the number of employees in the sector has significantly decreased after the mechanization of mining process. The development of alternative production of paper led the logging industry to reconsider its role to continue competing in the market[1]. Two laws profoundly affect the recent history of logging in Quebec. The first, adopted in 1974 *(An Act to amend the law on land and forests),* gives the Department of Natural Resources (formerly Department of Lands and Forests), the means to participate more directly in the timber management. The second law, adopted in 1986 *(Forest Act),* authorizes the Department of Natural Resources (formerly Department of Energy and Resources) to oversee the logging activities on the principle of sustained yield, which means the various sites not only have to cut wood in large quantities and deliver it to the factories, but they must also reforest to ensure a regeneration of the resource[2]. In mid-March 2005, was introduced Bill No. 14 *amending the Forest Act,* to reduce more than 20% of logging following the recommendation of the Coulombe Report. For QFIC (Quebec Forest Industry Council), this amendment decreases the "Forest Possibility" in several areas.[3]

The lumber industry is at the heart of economic development in several regions of Quebec. Canada's second largest producer of softwood lumber (24% of Canadian production), behind British Columbia, Quebec ranks first in the production of hardwood[4] (65% of Canadian production). Because of its large production, Quebec consistently feeds the lumber mills. The industry has a turnover of over four billion per year and exports a total of over six billion measured feet of boards. Moreover, it employs about 40 000 workers in 1260 firms. The lumber and softwood industries currently face three major challenges. First, the US-Canada contentious, about 27.2% taxes United States

[1] *Daniel Mercure, Le travail déraciné : L'impartition flexible dans la dynamique sociale des entreprises forestières au Québec, Québec, Boréal, p. 103.*
[2] *Ibid., p.49-50.*
[3] *Quebec Forest Industry Council, « Le « mur à mur » aura des conséquences négatives sur les régions », www.cifq.qc.ca, 2005.*
[4] *Quebec Forest Industry Council, « Enjeux », www.cifq.qc.ca, 2005.*

imposed to Canada on exports of softwood lumber from May 22, 2002, resulted in significantly slowing the industry and in temporary job losses for thousands of people in British Columbia and Quebec. Second, there are new environmental practices. In 2000, the Ministry of Environment of Quebec decided, in collaboration with QFIC, on a number of goals in recent years: proper management of wastewater and wood ball pond dipping, paint application in various operations related to the processing, use of various combustion appliances, etc[5]. Third, the manufactured products quality prompted several companies to develop production standards. In Quebec, QFIC enforces the Canadian Lumber Standards of work and makes sure industries comply with the strict and effective rules and production standards[6]. Ultimately, the lumber industry is currently in a deadlock. After experiencing relatively prosperous years between 1990 and 1999, most companies struggled to find the path to profitability over the last three years, which inevitably had an impact on investment in the company. The market offers a competition tougher than a decade ago, mainly from South America and Europe. On the other hand, the government seems to abandon the industry, since it has decided to reduce allocations for the main forest exploiters.

Pulp and paper is a major sector in Quebec economy. This industry has sixty plants spread everywhere in Quebec, mainly in the resource regions. Since the 90s, the paper industry is undergoing a rationalization and mergers. Emphasis is placed on: product quality, productivity, optimal use of production facilities, improving environmental performance, diversification of production, reducing production costs[7]. The pulp and paper annually injected nearly seven billion dollars from abroad in the Quebec economy. Because of the market proximity, the largest customer of the province is U.S., where Quebec exports about 60% of its annual production of pulp and paper. With the advent of globalization, more than 20% of production is now exported outside of North America[8]. However, investments in the sector are down, mainly because the production capacity exceeds demand. In addition, the newsprint market matured and Asia is steadily growing its production and exports, hindering the investments increase in the Quebec industry. As the lumber industry, the pulp and paper faces three major challenges. First, the average age of workers is very high. Secondly, concerning environment, key plants must continue to reduce greenhouse gas emissions. The industry already managed to reduce its greenhouse gas emissions by 22% between 1990 and 2000, while increasing production by over 25%. Each additional reduction of greenhouse gases emissions will improve the energy efficiency of businesses. Companies should therefore continue their good efforts to eliminate the possible greenhouse gas emissions and to find cleaner sources, while increasing productivity[9]. Third, since the 60s, pulp and paper industry has been recycling, which increased over the last ten years by new methods and more use of recycled paper[10].

II. Methodology: Collected Data

The collected data cover the entire province of Quebec. By limiting ourselves to one category of industry, we eliminate various influences that may bias our estimates which increases the validity of our research. The first data source is the Ministry of Industry itself, which collects more information on the timber. The second source is a review of documents and reports of the Quebec Forest Industry Council and of reports of identified institutions.

III. Results

Table 1: Impact on jobs from September 2001 to June 2002 (events of September 11, 2001 and Canada-US dispute on softwood lumber) [11]

Administrative Region	Jobs affected since September 2001
Bas-St-Laurent	593
Saguenay	3163
Quebec	453
Mauricie	317
Estrie	37
Abitibi-Témiscamingue	260
Côte Nord	1137
Nord-du-québec	375
Gaspesie-iles-de-la-Madeleine	119
Chaudière-Appalaches	468
Lanaudière Montreal	36
Laurentides	52
Total	7010

Table 2: Jobs having recruitment difficulties[12]

	YES	NO
Mechanical Engineers	32%	68%

[5] *Quebec Forest Industry Council, « Environnement », www.cifq.qc.ca, 2005.*

[6] *Quebec Forest Industry Council, « Qualité des produits », www.cifq.qc.ca, 2005.*

[7] *Quebec Forest Industry Council, Bilan sectoriel de l'industrie des pâtes et papiers du Québec, 2003, p.I.*

[8] *Quebec Forest Industries Association, Description du secteur des pâtes et papiers, 2003.*

[9] *Quebec Forest Industry Council, « Environnement », www.cifq.qc.ca, 2005.*

[10] *Quebec Forest Industry Council, « Recyclage », www.cifq.qc.ca, 2005.*

[11] *Lumber Industries Workforce Sectoral Committee, Report 2003, p.51.*

[12] *Quebec Forest Industry Council, Bilan sectoriel de l'industrie des pâtes et papiers du Québec, 2003, p. IX.*

Chemical engineers	36%	64%
Electrical Engineers	40%	60%
Industrial Electronic Technicians	16%	84%
Mechanical engineers	16%	84%
Pulp and Paper Technologists	20%	80%
Operators	16%	84%

PS: Survey conducted by the firm Concerpro business strategies inc.

Table 3: The wood processing industries[13]

Regions	Business	Jobs
Bas-St-Laurent	131	2663
Saguenay-Lac-St-Jean	95	2848
Québec	55	1764
Mauricie	52	2318
Estrie	111	2264
Ottawa	104	1990
Abitibi-Témiscamingue	87	3112
Côte-Nord	41	1382
Nord du Québec	19	1360
Gaspésie-Iles-de-la-Madeleine	80	735
Chaudière-Appalaches	149	5642
Lanaudière	41	1232
Laurentides	69	2363
Montérégie	57	2164
Centre-du-Québec	54	1449
Total	1145	34,300

1) *The state of HR*

Although the importance of the forestry industry in Quebec's economy is no longer as great as it was historically, it is nevertheless an important part of the manufacturing sector. According to the Quebec Forest Industry Council, across the province, this sector includes 362 plants (274 for lumber, 63 for pulp and paper, 25 for wood panels), generates 88,500 direct jobs (16,000 for Forest, 40,500 for wood products, 32,000 for pulp and paper) and about 61,000 indirect jobs[14]. This sector is particularly important because of the geographical location of several plants in remote areas, where jobs are scarce. All these reasons explain the increasing political character of this industry's problems.

a) *Forestry and logging*

This terminology refers to the classification of Emploi-Québec, which brings together in this economic sector Forest, logging and support activities, such as fight against forest fire. This sector represents 22 000 jobs (at least 38,000 according QFIC[15]), that is to say 0.6% of total employment in Quebec[16]. Between 1987 and 1992, the number of jobs which had initially declined, sharply increased again to 23 or 25,000. However, this industry is again in decline due to new problems such as the dispute with the United States over softwood lumber, the Canadian dollar (since this industry is very dependent on exports), but above all the more and more important lack of available resource[17].

The male workforce in this sector is heavier than in the rest of the economy, since there are only 12% of women, doing predominantly clerical jobs, whereas this rate is about 50% in the rest of the economy[18]. The majority of jobs in this sector do not require a college degree[19]. Most are full-time (93% and 80% in Quebec), but many are seasonal. There is a variation of nearly 10,000 jobs between the low and high season, which constitutes a significant portion. In recent years, there has also been an increase in the number of self-employed in this sector. This phenomenon is still in progress. In 2000, the average annual income of full-time workers was $31,000 for an average hourly wage of $17[20]. The workers are older in this sector than in the rest of the economy because 41% of people are forty-five and older and 14%, fifty-five and older. That is why Emploi-Québec estimates employment prospects to be relatively good in this sector, despite the fact that it is decreasing now and probably for the next few years. It is expected that this sector represents about 21,000 jobs in 2008 since it is estimated that there will be a decrease in demand for residential construction as well as maintenance of a strong Canadian dollar[21]. It is extremely difficult to determine the rate of union presence in this area especially because Emploi-Québec, Statistics Canada, the Ministry of Labour and QFIC each have a different definition of the forest industry. Some believe the rate of union presence at 79.6% in 1990[22]. However, this does not apply to all employees (but only those who work full-time), which explains why, according to the Quebec Ministry of Labour, only 32.7% of employees in forestry

[13] *Lumber Industries Workforce Sectoral Committee, Annual Report 2003.2004, P. 8.*

[14] *Quebec Forest Industry Council, (accessed on February 24th 2005), URL : www.cifq.qc.ca*

[15] *Lumber Workforce Industries Sectoral Committee, Report 2003, p. 55.*

[16] *Emploi-Québec, (access on February 24th 2005), URL: www.imt.emploiquebec.net*

[17] *Ibid (emploi-quebec).*

[18] *Ibid (emploi-quebec)..*

[19] *Lumber Workforce Industries Sectoral Committee, op. cit.*

[20] *Emploi-Québec, op. cit.*

[21] *Ibid.*

[22] *Jean Bernier [dir.], Interministerial work committee on collective labour relations in the Forest, Report, p. 60.*

(logging and forestry services combined) are subject to a collective agreement[23].

b) *Pulp and Paper*

The pulp and paper industry is in decline in terms of employment. The average annual salary is $50,000 (for a $23 average hourly wages), making it the best manufacture, average being 36,000 dollars. Most jobs don't require a college degree, but occupations most sought now are technical and university level (chemical engineer). The number of jobs is steadily falling since 1987 even if this sector still represents 1% of total employment in Quebec. As in the forestry industry, the workforce is predominantly male (84%) and has a high rate of full-time (98%). Gains in productivity and the high Canadian dollar account for the downward trend in terms of employment[24]. Emploi-Québec estimates the drop in employment to about 1.3% per year for the next few years to about 33,000 jobs in 2008. The fact that the population of this area is a little less old than the logging industry (though older than the rest of the economy) explains why it is not considered to be a good prospect future for young people. However, according to the Quebec Forest Industry Council, 2700 employees will be eligible to retire between 2003 and 2007 and 3600 more between 2008 and 2012. This means that 15-35% will leave in some plants. However, it is important to note that approximately 20-40% of posts won't be renewed, which means an expected decline of 2,000 jobs. However, about 4,000 new employees will join companies, mainly in production, where there was almost no employment over the past two decades[25]. Employers want to take advantage of this phenomenon to question the status by seniority and to sharply increase the skills of their workers and, by extension, flexibility and mobility. It just wants segmentation between different bodies of work to disappear. Fewer jobs require only a DSS and increasingly require DPS, ACS and DCS, in both production and maintenance[26]. The rate of unionization in the sector is 40% for clerical and 93% in the factories. CEP (USW) is the largest union, representing about 65% of unionized plants and 50% white collar. The CSN paper Federation is the second largest union and the presence of the CSD is truly marginal[27].

c) *The forest industry*

The forest sector has, since the early 1980s, been rationalizing and transforming itself, either by reducing the number of cutting camps or by mechanizing the operations. It nonetheless remains that some tasks are still manual and in a few years, the environment will be in a serious shortage of skilled labour. As for labour relations, the process of unionization is today about 21% and it was slow to settle permanently, not really taking place in the early 1960s. We see that the mechanization of operations has significantly changed the dynamics of labour relations and has provoked a whole series of consequences for the workers, such as the definition of employee and scope of the Article 45.

2) *An industry in reorganization*

The period 1975-1987 was mainly devoted to integral mechanization of part of forestry operations, which resulted in a decrease in the number of workers in the field. After reaching 17,288 in 1975, the number of forestry workers dropped significantly over the next three years. The 1980s were characterized by the lowest numbers ever recorded, about 12,500 workers. The year 1982 set a record of mediocrity, as less than 9000 workers were then employed in the sector[28]. The 1960s and 1970s mechanization was mainly supported by big companies, which encouraged workers to acquire their own machinery by financing them[29].

a) *The aging workforce*

The main observations we can make on HRM in this area relate to the availability of labour. The average age of the forest worker is 43.4 years: the Forest workforce is generally perceived as aging[30]. It is due neither to a reduction nor cessation of employment in enterprises, but inability to rely on an appropriate succession, which is unfortunately the case in this area, where succession is rather rare and shy as young workers aren't easy to find and keep because the payment based on output is unattractive for the less experienced[31].

Besides the payment manner, the problem is also explained by the fact that most logging operations are conducted in areas far from urban centers, which usually involves a prolonged absence from home that does not fit all. Moreover, because of the remoteness of the cutting camps, travel costs associated with these jobs are another barrier to young people entry in logging[32]. Young people view the profession as unattractive and of low quality and competition between

[23] *Ibid., p. 51.*
[24] *Ibid.,*
[25] *QFIC, op cit, p. 81.*
[26] *Ibid. p. IV et V.*
[27] *Ibid., p. 24.*

[28] *Daniel Mercure, Le travail déraciné : L'impartition flexible dans la dynamique sociale des entreprises forestières au Québec, Québec, Boréal, 1996, p. 62-72.*
[30] *Ibid.., p.65.*
[30] *Forest workforce Sectoral Committee, La création d'emplois en forêt, May 1999, p.4.*
[31] *Ibid., p.5.*
[32] *Christian Bouliane and Christian André, « La reconnaissance professionnelle des ouvriers de l'aménagement forestier au Québec », 12th Forest world congress, 2003. p. 5.*

employers to attract workforce is fierce. This creates a downward pressure on pay and working conditions. All these problems cause logging operations to have a relatively high turnover rate, so that finding skilled workforce in this area has become relatively difficult. Some employers will even reduce the hiring criteria to fill all positions necessary to maximize a forest plot.

b) *Training to raise workers' skills*

Faced with the shortage of manpower, the government has established several programs to take over this branch of industry. The first initiative was organizing programs for job creation and labour training by the company REXFOR. The success of this program was mixed, especially regarding payment, which angered some business leaders. Since, under this program, pay was done at the time instead of a flat rate (productivity), the most productive staff realized they wouldn't win more even if they worked harder and suddenly started to be less productive. In short, the program in fact only put welfare recipients to work. The number of surviving candidates in the program is far from being sufficient to fill the industry need for skilled manpower[33]. The 1% law also allowed the various forestry cooperatives to provide their employees some training. However, upon arrival of the Liberal government, companies' eligible payroll for training increased. Most of forestry cooperatives followed and provided their employees training. The majority of courses are taken when workers are unemployed, so that employers don't pay the corrected time for their employees. During the work season, job training is preferred. Companies are still apprehensive about the idea of giving training because it is relatively expensive and there is no guarantee that the newly formed staff wants to stay in the same company[34]. The idea of setting up a buddy system to facilitate the workforce training has not been received in the same way everywhere. An important idea on the table is the recognition of professional forest workers which certifies their professionnal abilities according to the Quebec forest industry standards[35].

c) *Major Issues in the Pulp and Paper*

In the pulp and paper, three issues will be very important in future years. First, paper recycling, which has existed for many years, is increasingly popular in the customers' requests for environmental reasons[36]. Moreover, given the increasing difficulty of acquiring natural resource (wood), recycling enable the sector to get away almost unscathed, unlike some other forest industry. Because of the more stringent laws and the Canadian ratification of the Kyoto Protocol, the environment will also be an important issue in the future[37]. However, investment by the Quebec pulp and paper during the past decade were of billions dollars and led to important environmental advances, whether at the level of greenhouse gas emissions or spills chemicals in rivers[38]. The third major challenge is workforce management, especially young talent. This challenge seems more important in the context of industrial relations, so we shall clarify further. The Quebec labour market will see many workers retire during the next few years, but this phenomenon is more marked in the pulp and paper. The renewal of the workforce brings a challenge, but may also represent a great opportunity to bring new labour relations[39].

d) *Prospects for Labour Relations*

Employers will try to strengthen relations with unions. In the opinion of all labour relations stakeholders, these relationships are "healthier" and evolve positively. The presence of many long-term collective agreements is particularly valued by employers[40]. In this domain emerged a strong tendency to partnership and negotiation. However, now that the threat of closure has disappeared for several plants and that employers want to address some "sacred cows" of unionism, it is unclear whether these good relations will continue. Indeed, employers want to question the career by seniority, have some freedom from the sub contracting, and review the hiring criteria, etc[41]. remains to see whether the goodwill of all stakeholders will be sufficient to enable the sustainability of partnership in this sector.

The number of jobs in pulp and paper changed dramatically during the late 1980s and first half of the 1990s. Indeed, the record number of 33,952 job positions was reached in 1987, that is to say, during the golden age of modern industry. However, in 1998, the opposite record was reached, as only 20,922 people worked in this industry[42]. Since that time, the number of jobs was generally between 21 and 23,000, but is now declining. There will be an average reduction in employment of 1.5% over the next years[43].

These job cuts won't come through layoffs, but by the fact that between 20 and 40% of available positions due to the workers retirement won't be refilled. Nevertheless, as there will be 6,300 people who reach retirement age, it will still be thousands of vacancies

[33] *Ibid., p.13-16.*
[34] *Ibid., p.17-21.*
[35] *Ibid., p. 6.*
[36] *Forest Industry Council, (access on February 28 2005), [Online], URL : www.cifq.qc.ca*
[37] *Ibid.*
[38] *Forest Industry Council, Rapport sectoriel des pâtes et papiers 2003, p. 35.*
[39] *Ibid., p. 46.*
[40] *Ibid., p. 25.*
[41] *Ibid., p. 96.*
[42] *Ibid., p. 44.*
[43] *Emploi-Québec, op cit*

(4300)[44]. However, it should be noted that these projections don't consider the possible closure of factories or machinery. On the other hand, one can wonder about the effect of many pre-retirement occurring in several factories in the early 1990s on the aging of the workforce. It is likely that early retirement delayed the deadline, but the lack of recruitment of young people for almost twenty years didn't help to enhance this effect. Employers are afraid to lose these skilled workers and expertise. In some plants, over a third of employees will leave within five to seven years[45]. Certainly, this will build more trained new staff, mostly trained by educational institutions. To ensure the balance between the needs of pulp and paper mills and the effective training given by schools, employers help Colleges to determine the content of education[46]. The most difficult positions to fill require, for most, a university degree or, at least, technical. They can be divided into two broad categories: "general" and "specific" diplomas.

Specific training for the industry is often provided in conjunction with the workplace and the Ministry of Education. Often, employers are participating in this training by sending local employees to provide training, equipment and courses. This is particularly the case for the DPS, for which employers are going to participate in the selection and admission of students[47]. The great advantage of such training is relevant to the needs of industry and the possibility for plants to use efficiently these new employees as soon as possible, especially since most of these degrees have many courses and are given in work-study. There is a high graduation rate in the DPS and ACS[48], that is to say, in programs where many companies provide support but participate in the screening of candidates. It is different for DCS, what worries many in the industry. Business involvement is much smaller at this level and the graduation rate is much lower. Moreover, as this training can also be used in chemical plants, many graduates are exempt from the pulp and paper, mainly because of career paths based on seniority, which are very long and discourage youth[49]. Unfortunately, these curricula are not very popular, at least not enough to meet the needs. We may assume that these programs, some of which lead specifically to the pulp and paper, have suffered the past twenty years, during which there was virtually no recruitment of young graduates[50]. By cons, according to employers, unpopularity is due to the bad reputation of the industry in technology. In addition, since these courses are very specific, they have the drawback of reducing the opportunities for graduates outside the pulp and paper sector, which is not necessarily the safest in terms of employment. Uncertainty can lead many young people to aim for a "general" formation. These courses often have very high placement rate and are not specific to the pulp and paper. Thus, the latter must compete with other sectors of the economy. In addition, many general qualifications of this kind have a low graduation rate. Some plants in the sector are struggling to recruit young people, especially because of the distance from major urban centers. Moreover, it is impossible to predict long-term future of this industry or development. So, graduates, since they have the choice, tend to move to other jobs. In addition, young people lack the patience to fit into very long career paths, based solely on seniority[51]. However, the industry is particularly interesting in terms of remuneration.

The law fostering the development of the workforce training requires employers to invest 1% of their payroll in training their employees and to deliver, if any, part of the 1% that they have not spent. However, employers realized how much training their staff was needed. So they spend the entire amount prescribed by law for the specific needs of their workforce. In 2002, this amount corresponded to 2.67% of payroll[52]. This may show the immense effort to form labour force that has been undertaken in recent years. Moreover, now that they are no longer providers of National Training Fund of the workforce, employers receive subsidies of that Fund to pursue their goal of training[53]. Despite the higher education of the new workforce, it remains that the replacement of such a mass of expertise for the industry will require a sustained effort and superior internal training of employees.

Historically, pulp and paper never had any problems recruiting its employees. According to employers, the current problem is due to the very generous compensation practices of the industry. Indeed, compensation in the pulp and paper is much higher than the rest of manufacturing. In 2000, the average wage in this sector of the Quebec economy was 36,203 against $50,556 in Pulp and Paper[54]. However, this average is moderated by the wages of office workers. The highest compensation paid in Quebec plants for production / operations workers vary between $ 55,000 and $ 118,000, average being $ 76,600[55]. The salary does not include the many benefits

[44] *Sectoral report, p. 46.*
[45] *Ibid., p. 45.*
[46] *Ibid., p. 75.*
[47] *Ibid., p. 71.*
[48] *Ibid., p. 73.*
[49] *Ibid., p. 73.*
[50] *Ibid., p. 81.*

[51] *Michel Audet, « La gestion de la relève et le choc des générations », Gestion, vol. 29, nº 3 (2004), p. 20-26.*
[52] *Sectoral report, p. 76.*
[53] *Ibid.*
[54] *Ibid., p. 52.*
Emploi-Québec, loc cit.
[55] *Sectoral report, p. 52.*

guaranteed by industry, such as pension funds, insurance or drug coverage pay, etc. It may be tempting to relate this very generous compensation package and the fact that collective bargaining in the pulp and paper is sectoral. This type of trading tends to increase the bargaining power of the union[56]. In the coming negotiations, employers will try to integrate variable forms of pay and incentives in order to attract graduates of high level.

The pulp and paper companies believe they will have great difficulty when time comes to recruit a new workforce. Companies will seek to propose a different career path for professionals, particularly those with a university degree. The companies also want to make changes in hiring criteria and try to encourage their current employees to follow academic courses[57]. Still, most employers don't give much importance to the retention of older employees. The means most often used for succession management are the external recruitment, training and employee self-training in collaboration with educational institutions.[58] It should be remembered that the main competitors for employees in this industry are the other plants in the sector. SMEs are particularly affected by these findings[59].

IV. Discussion

What conclusion should we do after describing the three main sectors of the field of wood? First, we must understand that industries must implement the necessary technology to remain competitive. Whether through the process of mechanization in the logging industry or the development of new prototypes of paper machines, the introduction of technology inevitably brings two major consequences: the first is the declining number of jobs, as happened in the pulp and paper and forestry, and the second is the need for training in schools or in business, workers with higher qualifications than before, since the process operations have become more complex. International competition also leads companies to have to compete with countries that have very low costs of production and labour, which inevitably puts pressure on Quebec industries. Indeed, they are encouraged to revise downward the good working conditions they offer to their employees. The labour organization must also be reviewed due to the adoption of ISO standards, development of new production processes such as Kaizen, Kanban, Six Sigma, etc.. Do not forget that the Charest government's Bill 14, which means 20% reduction in timber harvest, will have a significant impact on jobs, as industries have less raw material to exploit. This makes us say that Quebec might be losing some relatively large markets.

We must now make the observation of the relationship between the timber industry and HRM. We will use the lecture given by Michel Audet May 11, 2004 under the QFIC Congress. First, nearly 90 000 direct jobs and 61,000 indirect jobs form the timber industry. In several sectors, the workforce is aging: the average age is greater than forty-five years and many will retire in four or five years. This means that companies will have the opportunity to recruit a new generation of more skilled workers. But at the same time they lose a lot of expertise. From this perspective it becomes important to do company training and continuously: it is the best way to help not prepared workers to acquire the necessary skills. It will also address the issue of DCS graduation rates. Indeed, it is not normal for many young people not to complete their basic course before being hired in the industry. Concerning managers, they will need more training in human resources to understand the coming challenges. It will also involve executives in a more active development of the company. Indeed, managers must develop an innovative vision to successfully thrive in an industry where competition is fierce each day. In short, managers find themselves somehow with the daunting task of managing diversity in their business: older workers, Generation Y's young people, cultural mix and most marginal categories[60].

Labour relations within the sector industry of wood have undergone significant changes over the last decade. However, these changes do not have the same content and the same magnitude across sectors. Indeed, in the forest industry, the issue about collective labour relations is simply its existence in its current form. The unionization rate is falling rapidly given the many difficulties of adapting laws to the particular situation of the industry, but also non-standard work as in many other sectors besides. By cons, despite the fact that all stakeholders agree to confirm this fact, they all agree that there will be no complete disappearance of collective bargaining in the forest industry, probably because the unions will retain their castles, even if the fine days are definitely over.

In the pulp and paper, the situation is totally different. The presence of unions is not in danger but is changing. The negotiation and partnership have emerged and have driven the changes, particularly in regard to flexibility. It is important to note that this is not necessarily all plants. By cons, this is a trend and partly explains the relative "relaxation" in labour relations management that have taken place in the industry. However, now that the danger is removed to close several plants (as it has strongly influenced the

[56] *Jean Sexton, Initiation à la négociation collective (Excellent book), Québec, Les presses de l'Université Laval, 2001, p. 86-87.*
[57] *Ibid., p. 96.*
[58] *Ibid., p. 86.*
[59] *Ibid., p. 88-89.*

[60] *Michel Audet, « Les ressources humaines dans l'industrie forestière du Québec : Défis et enjeux pour la prochaine décennie », CEFRIO, May 11 2004, 44 slides.*

occurrence of such changes) and that the demands of employers are becoming increasingly important, it is very difficult to make predictions about the future of this partnership and even its survival.

V. Conclusion

This paper shows that the forest industry is good in general, but will in the coming years face significant challenges as global competition becomes fiercer each day and a problem of perception by people prevents succession. We offer one flat face of all this and it applies to investments made by industrialists. We believe that the equipment currently used isn't on the cutting edge of technology and that this could be an important factor in our loss of productivity in recent years. With regard to labour relations, it is interesting that the various labour laws do not always adequately protect forest workers as those who own their means of production. It was nice to see by cons in recent years several projects to revive the factory with a partnership between government, the union and the employer. It may be time for collaboration rather than with adversarial labour relations. Like any research, it has limitations and future research should help to overcome them.

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