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December layoffs as Dundas Quarry digs in for slow winter months

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A winter layoff at Lafarge Dundas Quarry isn't something new, but its timing around the Christmas season this year is a novelty. The action will result in workers being temporarily laid off beginning today (December 2).

Company manager Ron Graham, who confirmed the action earlier this week, said the layoff at the Hwy. 5 West facility will last about a month. When pressed for details about the timing of the layoff and the number of employees affected, he referred questions to Lafarge Canada's office in Concord.

A written response from David Guptill, vice-president of human resources for the company, provided some insight into the reasoning behind the shutdown but provided no specific details about the scope or timing of this year's layoff.

Earlier this week, an e-mail authored by a person who requested anonymity called the layoff "unanticipated, early and unexpected" and charged that about 80 per cent of the staff working at the Greensville area quarry will be affected by the layoff. Graham said the plant employs 61 hourly employees but said he didn't have the exact number who would be affected by the action. "I would rather not give you a guesstimate," he said.

Reached at his Toronto area office just before press deadline, Guptill explained that as vice-president for human resources for all of Canada, he doesn't have specific numbers for each plant. "I can tell you that 4,000 (Lafarge) people will be on layoff across Canada by mid-December. That is the nature of our business.

"The number of people laid off and the timing is all just an equation of demand and what inventory is sitting on the ground," he explained. "It's a juggling act of how many people are needed at a particular time to produce the product necessary for customers."

According to the author of the e-mail, employees were verbally informed of the layoff on November 16. In their experience, past practice has been to begin layoffs of junior employees, usually not more than 15 or so, immediately following Christmas. This enables them to receive statutory holiday pay, the e-mail writer said.

This year, however, the layoff is occurring earlier and is affecting more employees, including those who have worked at the quarry for 25 years or more and haven't experienced a layoff since the 1980s, the e-mail writer charged.

In response to a series of questions e-mailed to Graham, Guptill neither confirmed nor denied any of the statements made by the e-mail writer. He prefaced his response with the proviso, "As a matter of company policy, we do not publicly discuss employee issues or detailed production figures." He then offered to share "some general information" about the company's business practices.

"Our layoffs this year are, as always, a direct result of the supply of product, the demands of customers and the highly-competitive pricing structure of the Southern Ontario marketplace and even though we have one of the most highly-efficient workforces in the industry, we cannot disregard those economic realities," Guptill wrote.

Noting that the aggregate industry is seasonal and "highly sensitive" to the fluctuations in the marketplace, he said that neither managers nor employees have control over these factors.

The length of the shutdown is largely determined by the demand for aggregate. "If demand is up, the layoff is shorter; if it is down, as it is this year, the layoff is longer."

Guptill noted that the company's responsibilities go beyond its employees and customers to its shareholders, who expect a reasonable return on their investment. To ensure that, production costs must be kept at an acceptable level and "that means laying people off when the demand for our products decline as they have this past year."

Increased energy costs have also been a factor. "When costs in one area increase unexpectedly, we have to be extra vigilant in controlling all of our other costs very rigorously," Guptill wrote.

The e-mail author wrote that the company has large supplies of aggregate on hand, not only because demand is down but because production has substantially increased at the plant. Since the summer, "mandatory overtime has been enforced throughout and continues to date," they noted.

The e-mail writer also pointed out that supervisors and managers at the Dundas plant may still receive large production bonuses.

Guptill confirmed that there are good and lean years and that employees' salaries are affected. "All Lafarge salaried staff are on a variable compensation program which means that during good years, our salaried employees can earn more and during lean years, they unfortunately earn less." He described 2003 and 2004 as record-breaking years, but said such a level of demand cannot go on forever.



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