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What Makes for Effective Labor Representation on Pension Boards?

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This article examines the efficacy of labor representation on pension boards. Using existing literature and interviews with labor trustees, this article develops a model where a more formal approach to recruitment and selection, skill acquisition, and accountability is hypothesized to aid labor trustees in achieving effective integration and representation on pension boards. Data indicate that labor trustees are placed in a challenging environment with insufficient support from their union, other trustees, or the board. These findings have important implications for the selection, training, and integration of labor trustees and the success of a labor agenda on pension issues.

Keywords: *pensions; labor; unions; trustee; governance*

Unions can leverage workers' capital through various strategies, such as producer cooperatives, workers' ownership of shares in their own company, union funds for national or regional economic development, and influence on the investment of worker pension and savings funds (Wheeler 2004, 88). In particular, the governance of pension funds has received considerable attention in recent years (Northrup et al. 1981; Johnson, Harwood, and Heldman 1981; Ghilarducci 1992; Quarter 1995; CUPE 1996, 2005; Carmichael 1998; Fung, Hebb, and Rogers 2001; Quarter et al. 2001). The interest in pension funds stems from several factors. For one, because of their size, pension funds can have a powerful impact on financial markets (Drucker 1976; Deaton 1989). Worldwide pension assets are valued at $11 trillion (Anand 2000) with a recent Freshfields Bruckhaus Deringer (2005) report estimating United States and United Kingdom pension funds at $7.4 trillion. Canadian pension assets have been estimated at $600 billion (Canadian Labour and Business Centre [CLBC]

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2001). Pension funds also represent an important opportunity for unions to support the growing movement toward a proactive investment strategy that takes into account environmental, social, and governance issues (Ghilarducci 1992; Fung, Hebb, and Rogers 2001; Freshfields Bruckhaus Deringer 2005).

In a time of union decline and debate over union relevance, greater activism in pension funds may also be a means to union renewal. Referring to the labor movement in the United States, Wheeler (2004) suggests that use of worker capital to influence corporate strategy toward socially responsible outcomes may result in much needed positive public relations for unions (see also Bennett and Johnson 1981). Such a focus also broadens the labor agenda to larger social and economic arenas which increases opportunities for visibility and coalition building. Participation in governance is also of immediate self-interest to unions because it may provide additional security to plan beneficiaries (Quarter 1995; Quarter et al. 2001).

One important aspect of the labor movement's involvement in pension funds is the appointment of labor or member representatives to pension trustee boards or committees (Carmichael and Quarter 2003).[1] In 1998, it was estimated that one-third of all pension assets in Canada fell under some form of joint-trusteeship (Falconer 1999) and that eighteen of the top twenty-three unions had won or were in the process of winning some form of joint-trusteeship (as cited in Carmichael and Quarter 2003). Similar moves toward employee representation are occurring in other industrialized nations as well. For example, using survey data from 1990 to 2000, Hess (2005) reported that one-third of the trustees on public pension funds in the United States were member-elected (see also Schuller and Hyman 1983a, 1983b, and 1984, Gribben and Faruk 2004, and Gribben and Olsen 2002, for studies of the United Kingdom, and Fung, Hebb, and Rogers 2001 and Wheeler 2004 for discussions of the United States).

A key debate in the management of pension fund investment is whether the fiduciary mandate stipulates pure profit maximization based only on financial indicators or whether financial returns and the best interests of beneficiaries allow or demand the consideration of environmental, social, and corporate governance issues (Freshfields Bruckhaus Deringer 2005). This latter stakeholder perspective acknowledges a firm's financial obligations to its shareholders, but underscores the accompanying obligations to the firm's other stakeholders: their workers, customers, communities, and the environment (Clark 2000; Chapman 2001; Hebb and Jackson 2002). Despite the growing interest and acceptance of extrafinancial investment considerations and the increase of labor representation on pension boards of trustees, there is mixed support for this approach both in the financial community and the labor movement. Many finance professionals reject and discourage a stakeholder approach to pension investment and also discount the value of labor trustees at the board table. Trade unions face several choices in pension fund governance: whether to engage in pension governance through labor representation at all, whether to maintain the status quo of pension investment through traditional interpretations of fiduciary duty, or whether to adopt varying degrees of a stakeholder perspective (see Weststar and Verma, forthcoming).

The premise for this study rests on the assumption that unless unions' goals for pension involvement are clearly articulated and they initiate a process by which they can develop requisite leadership, it will be difficult for unions and labor trustees to effectively participate on pension boards and achieve strategic goals at any level. Preliminary studies of labor trustees show that they face considerable barriers as they attempt to fulfill their new roles and impact the decisions of the pension bodies on which they serve (Schuller and Hyman 1984; Deaton 1989; Carmichael 2003). Exacerbating this, many unions have yet to express a comprehensive and proactive policy on their role in pension fund governance. As indicated above, while some unions believe that they must push for greater labor participation in pension issues, others stay clear of them. Others are less clear on a mandate to give to their representative(s) on the pension board. Since their goals in pension governance remain unclear, most unions do not appear to have a formal process to identify and develop their own talent in this area.

Given this environment, this article seeks to identify the factors that help labor trustees become effective pension board members in the Canadian context. We combine analysis of existing literature with data gathered through interviews with labor trustees to develop a model that links institutional characteristics of the board and union strategic choices to trustee development needs. We propose that this model can be used to aid the integration, participation, and overall effectiveness of labor trustees given particular trustee or union strategic goals. The following section presents a brief overview of the institutional context for pensions that frames many of the ideological debates and challenges that face labor trustees. This context is largely described for Canada; however, common law countries such as the United States, United Kingdom, and Australia have a similar context. Next, we outline the research method and discuss the experiences of labor trustees as exemplified by our interview findings and existing literature. Last, we present our model of trustee development and offer implications of our study and avenues for future research.

Key Legislation and Associated Debates

In Canada, workers can receive pension income from government-sponsored programs as well as employer-sponsored pension plans that are based on employer and employee contributions. Employer-sponsored plans in Canada are quite varied. Statistics from January 2000 show 1,276 plans covering 2.4 million federal, provincial, and municipal government employees and 14,281 individual or multiemployer plans covering 2.6 million commercial, industrial, and other private sector workers (as cited in Greenan 2003). More recently, the Certified General Accountants of

Canada (CGA-Canada) conducted a study using 847 plans from the MERCER Pension Database. They report that of the 746 plans from this sample that operate in the private sector, 42 percent cover unionized workers. They did not include a breakdown by unionization for the remaining 101 plans deemed nonprivate sector, but the majority of these would assumedly be large public sector plans covering unionized workers (CGA-Canada 2004).

With the exception of those employees and industries that fall under jurisdictional authority of the federal government (i.e., Crown Corporations, banks, railways, and employees in the Yukon, Nunavut, and the North West Territories), pension funds fall under provincial jurisdiction and specific pension standards legislation. Two components of the pension standards legislation are particularly important for union involvement in pension issues. The guidelines for plan administration impact the composition of the pension board of trustees, whereas the principles of prudence set the tone for investment strategy. Though each province has separate pension legislation, the clauses regarding pension administration and prudence are substantively similar. This is also the case in other countries with common law jurisdiction (i.e., U.S., U.K., and Australia). For example, the Employee Retirement Income Security Act in the U.S. covers private pension plans and outlines the naming of fiduciaries (section 402) and establishes the "prudent man" standard of care (section 404), which is much the same as provided in Canadian legislation (Freshfields Bruckhaus Deringer 2005; see also BenefitsLink 2006).

Pension Administration

Generally, pension standards legislation includes a list of possible plan administrators: the employer, a pension committee comprised of employer representatives and/or members of the plan, the insurance company guaranteeing the benefits provided under the plan, or a board of trustees of either employer or member representatives or both (Greenan 2003). Some pension plans, particularly those operated and/or sponsored solely by the employer or government, also include advisory committees as part of their governance structure. Advocacy for such advisory committees is increasing as the concern over pension governance rises (CGA-Canada 2004). The result is a wide array of governance structures across pension funds with and without member or labor representation. A summary of the most common models is presented in Table 1 and discussed below.

For those unions interested in obtaining representation in pension governance, joint-trusteeship is the premiere goal, and unions such as those associated with the Ontario Public Service Employees' Union Trust, the Hospitals of Ontario Occupational Pension Plan, and the Colleges of Applied Arts and Technology Pension Plan have achieved the most equal representation and the most direct selection control of their representatives (see #2 and #3 in Table 1). Some unions, primarily those in the building trades, have a different model, but one that also achieves high levels

Table 1
Administrative Structures of Canadian Pension Plans

	Representative Composition	Labor Representative Selection	Example	Key Plan Characteristics
1	Sole union trusteeship; Plan administered by a financial institution	Elected by plan participants appointed by the union	Marine And Shipbuilders Pension Plan Local 506 British Columbia	Single union; Multiple employers
			Carpentry Workers Pension Plan of British Columbia	
2	Cosponsored by union and government; Joint trusteeship; Rotating chair	Elected or selected by union/ plan members	Ontario Public Service Employees' Union (OPSEU) Pension Trust	Single union; Single employer (Provincial Government of Ontario)
3	Equal representation; Rotating chair	Elected or selected by union/ plan members	Hospitals of Ontario Occupational Pension Plan	Multiple unions (Canadian Union of Public Employees [CUPE], Service Employees International Union, Ontario Nurses' Association [OPSEU]); Multiple employers
			Colleges of Applied Arts and Technology of Ontario Pension Plan	Single union (OPSEU); Multiple employers
		Employee representatives appointed by government (often on recommendations by union)	Ontario Municipal Employees' Retirement System (OMERS)	Multiple unions (CUPE, International Brotherhood of Electrical Workers, Firefighters Association, Police Association); Single employer
4	Equal representation; Rotating chair	Union recommends representatives to government	Alberta Public Service Pension Plan	Single union (Alberta Union of Public Employees) Single employer (Government of Alberta)

5	Equal representation for union and employer sponsors Independent chair	Sponsoring union selects its own representatives (often from business/financial community)	Ontario Teachers' Pension Plan	Single union (Ontario Teachers' Federation) Single employer (Government of Ontario)
6	Equal representation Employer chair (extra employer rep)	Union recommends representatives to employer (one from English unions, one from French unions, and one from Pensioners Association)	Canadian Broadcasting Corporation (CBC) Pension Plan	Multiple unions/associations Single employer (CBC)
7	Legislated representation for union and employer Not necessarily equal	Elected or selected by union/ plan members	All pension plans in Québec	Mixture of single-multiple union and single-multiple employer, depending on plan
8	Advisory committee with equal representation Government/employer sole trustee	Elected by plan members	Canadian Pacific Rail Pension Plan	Multiple unions Single employer
9	Advisory committee with equal representation Government sole trustee (Minister of Finance)	Union recommends representatives to government	Nova Scotia Public Service Superannuation Plan	Multiple unions (NSGEU, CUPE) Single employer (Government of Nova Scotia)
10	Little or no union representation Unions aspire to more equal role		Hydro One	Multiple unions Single employer
11	No union representation		General Motors Canada	Single union (Canadian Autoworkers' Union [CAW]) Single employer

Note: Adapted from Carmichael (1998) with additions from CUPE (1996), Greenan (2003), PTI19, and PTI12.

of control over pension funds. In these industries, unions act as the stable force because members work with multiple employers. For this reason, the unions have sole trusteeship of pension plans into which the employers contribute funds. A financial consulting firm is typically appointed to administer the plan (see #1). Another model of note is listed as #7, where Quebec legislation stipulates that there be labor or membership representation on the pension committee that administers the plan (Greenan 2003). In practice, this often results in pension committees composed of two plan beneficiaries (one active and one retiree), one member independent of both the employer and the beneficiaries, and five management representatives (PTI19).[2] The Ontario Teacher's Pension Plan (listed as #5) is also worth separate mention, as it demonstrates that union representatives are not necessarily union members. In this case, it is not four teachers who sit on the board with four employer representatives, but four teacher representatives, typically selected from the financial community (Ontario Teachers' Pension Plan n.d.). Some unions, particularly private sector unions such as the Canadian Autoworkers' Union (CAW), show less interest in achieving union representation on pension boards (#11) (discussed below).

Prudence

The notion of prudence is also important for labor trustees, and contains two principles: the prudent portfolio and the prudent person. The prudent portfolio stipulates that a given investment be analyzed with respect to how it affects the risk and return of the pension portfolio as a whole and not as a stand-alone investment. The prudent person stipulates that the plan administrator and its agents "exercise the care, diligence and skill in the investment of the pension fund that a person of ordinary prudence would exercise in dealing with the property of another person" (Greenan 2003, 200). Though these principles originated out of the desire to instill caution in trustees who generally "carry the responsibility of ownership without the ownership itself" (Carmichael 2003, 53), traditional interpretations of prudence, or fiduciary responsibility, have acted as a barrier to alternative investment and governance models.

Traditional models of pension governance focus on rate of return, often to the exclusion of extrafinancial factors, such as the environment, corporate ethics, or social impact. As representatives of unions, which are social and political actors, labor trustees are in a position to support the growing stakeholder perspective on investment (Clark 2000; Chapman 2001; Hebb and Jackson 2002) that is not readily accepted or that is rejected outright under narrow interpretations of prudence and fiduciary duty. Counterarguments are emerging that state that fiduciary duty does not preclude pension trustees (labor or otherwise) from investing based on extrafinancial criteria, provided that such decisions do not negatively affect the pension plan or its beneficiaries (see Yaron 2001, 2003, 2004; Carmichael 2003; Freshfields Bruckhaus Deringer 2005; Milevsky et al. 2006). These counterarguments are becoming more prevalent and sophisticated; however, as will be elaborated later, labor trustees who wish to adopt a stakeholder perspective still face considerable difficulty in overcoming the traditional fiduciary duty argument.

Within the pension environment, the role of unions and their representatives involves making three interrelated strategic decisions. First, unions must decide whether they want a seat on the board. If yes, they must work to obtain that seat, whether through collective bargaining, government intervention, or other means, and choose to fill it with either a labor trustee or a professional hired for the purpose. Second, unions must decide how the labor trustee will acquire the financial background necessary to actively participate in investment decisions to protect the pensions of fund beneficiaries. Third, unions must decide if they want their trustees to push for the application of alternative investment policies. Such policies could consider environmental practices, place screens on enterprises that seek to privatize public services, and focus on investments that benefit communities through encouraged development of local business or promotion of affordable housing. Investment policy could also consider labor relations and employment standards, such that pension fund investment could be used strategically either against recalcitrant employers or toward employers with labor-friendly policies and behaviors (Fung, Hebb, and Rogers 2001; Grayson and Hodges 2002; Hannah 2003; Thomson and Wheeler 2004; Manley, Hebb, and Jackson 2005; Hebb and Jackson 2002).

When considering their first strategic decision, whether to participate in pension governance, unions face a choice somewhat akin to union participation in decision making along with management. In the research literature, it is generally well recognized that in considering this opportunity, unions face a difficult choice. Participating in managerial decision making can be a double-edged sword. While it may give the union greater say in workplace matters, it also prevents the union from acting independently of management. Rank-and-file members may view union leadership as becoming closer to management than to their own interests. At a practical level, this could lead to an ouster of the leadership or at the very least it would create tensions between the union leadership and union members (Eaton and Rubinstein 2006; Eaton and Schurman 1996). Other writers on the topic have suggested that it will be theoretically difficult for unions to represent worker interests if they adopt a more managerial view of the organization (Parker and Slaughter 1988; Katz 1988; MacDuffie 1995; Eaton and Schurman 1996). All these arguments are also applicable to the union decision to seek a seat at the pension board. These problems notwithstanding, there has been an "expansion of local union involvement in firm governance and management" that challenges "the managerial prerogatives established by the New Deal industrial relations system" (Rubinstein 2001, 411) and union involvement in pension plan governance can be seen as a subset of this expansion.

A few unions, such as the CAW, have decided to maintain the traditional demarcation between labor and management on pension plan issues. In remarks to the International Quality and Productivity Center Canada Conference on Pension Investment & Governance, Jo-Ann Hannah, a CAW staffer, summarized the CAW's lack of enthusiasm in participating in pension fund governance. For one, public sector unions generally have one or two large pension plans, whereas private sector unions have hundreds of plans. The cost of providing training and ongoing support to labor trustees in these cases is prohibitive. Second, private sector unions are able to collectively bargain for pension improvement or change, whereas public sector unions are not. Third, the CAW view is that unions should not buy into the neoliberal ideology that the market is central to the democratic process. They argue that unions should bargain for increased pensions and benefits through traditional arm's length processes and fight the battle of social responsibility and worker's rights in other forums (Hannah 2003; see also Stanford 1999).

To successfully expand their role in governance and management, unions must carefully consider, prepare for, and address the changing risks and required resources associated with representing their membership in new ways (Rubinstein 2001; Eaton and Rubinstein 2006). For example, the Ontario Teachers' Federation received negative backlash from many unions and pension activists in response to the United Food and Commercial Workers' Union (UFCW) strike against Maple Leaf Foods in 1997 and 1998. As major shareholders in Maple Leaf Foods, the Ontario Teachers' Pension Plan Board did nothing while members of UFCW across Canada fought to resist concessions (many against benefits packages that did not include a pension plan) and job loss. Critics argued that the Teachers should have leveraged their shareholder power to pressure Maple Leaf Foods to work for a fair contract. This type of action is a completely new approach for unions and their members and raises a host of questions about the use of pension fund power. For these reasons, unions embarking on pension involvement must enter this new arena with an understanding of the risks involved and with a clear and articulated assessment of their purpose. In direct relation to the experiences that local union leaders face as they experiment with comanagement techniques (Rubinstein 2001), labor trustees must not be caught unprepared in responding to concerns within the labor community. Labor trustees must be provided with the necessary resources by their unions if they are to succeed in achieving labor's mission. This study is an attempt to identify the resources that labor trustees need at personal and institutional levels.

These resources are important for the second and third decisions that unions must make regarding the training and agenda of the labor trustee. By getting to the second level (obtaining a seat and basic financial training), unions and their labor trustees can ensure stronger financial health of their pension funds through increased diligence and attention to investment matters. By pushing through to the third level of alternative investment policy, unions and their labor trustees can ensure the protection and growth of their pension monies, but they can also benefit their constituencies, their fellow workers in the broader labor movement, and the social, economic, and environmental health of their greater communities. However, and as this research will show, many unions are at the first stage and are only beginning to realize the potential of pension board representation. Those unions that have achieved a seat have largely stalemated at the second stage, with only a few achieving some impact on the governance of pensions in terms of socially responsible investment (SRI), economically targeted investment (ETI), or the leverage of shareholder proxy votes to promote corporate good governance and other outcomes. To achieve these ends, labor trustees must be able to challenge the traditional models of pension investment and governance. Otherwise, they risk becoming token members of the board.

Research Method

Several sources of data were used for this exploratory research. Primarily, semi-structured interviews were conducted with nineteen labor trustees on pension boards and one labor representative on a pension fund advisory committee. On several occasions, the interviews were recorded with an audio recorder, although some trustees preferred that we take notes only. The interview transcripts were analyzed for common themes and key individual or unique comments. As the pension trustee community is small, interviewees were assured anonymity in any publication of our results and their names are not reported nor associated with their union and pension plan affiliation.

A copy of the interview protocol is included as Appendix A, though it should be noted that occasional deviation occurred in individual cases to accommodate specific situations. The interview questions consist of ten open-ended questions that roughly follow the induction of the individual as a trustee and the steps they go through in becoming effectively integrated into the board. Since our purpose in interviewing the participants was to learn more about the underlying problems and prospects for trustee effectiveness, the questions were deliberately written to be exploratory. The basic idea here was to encourage the interviewee to open up a dialogue and talk through their experiences. The intent was to learn as much as possible about the processes so that later we could identify a more structured process to describe the trustee induction, integration, and development.

The sample used in this study is not entirely representative. Indeed, through the course of this research and related work, we identified many factors that made it difficult to obtain a large representative sample of labor trustees. There is no comprehensive and published listing of labor trustees in Canada. Some plans have Web sites with information about the governance structure. Of these sites, most indicate the number of labor trustees on the board and some include a listing of names and/or union affiliation. A small number list full contact details. When contacted, most pension plan staff were reluctant to disclose contact information. Unions seem somewhat more willing, although some union staff were unsure of the identity of their pension trustees or who might have such information. We relied, therefore, on our personal networks and those of the Pensions at Work Research Network (PAW 2004). This initial search led us to interview eight very experienced trustees, most of whom were also high profile pension activists. These interviews formed the core sample of this study because our informants were in a position to comment on their many years of trusteeship and their evolving needs. Following these interviews, twelve additional labor trustees were contacted and interviewed. As with the first, this second wave was largely a convenience sample, although greater attention was paid to achieving a balanced slate of participants in terms of gender, visible minority status, board tenure, geographical region, and plan sector.

The resulting sample represents four funds based in Ontario, one in Quebec, four from the Atlantic provinces, eight from the Western provinces, and three that are under the federal jurisdiction. They are predominately public sector funds (fourteen of the twenty). Most interviewees are white men, with four women and two racial minorities represented. Tenure as a trustee ranges from several months to well over ten years. All interviewees are over the age of thirty-five and most have had considerable seniority in their occupations and unions (see Appendix B for interviewee profiles). Private sector funds are underrepresented, as are Quebec-based funds. There is no representation of members of the financial community who are appointed by unions to act as labor trustees (i.e., labor trustees from the Ontario Teachers' Plan) as they represent a group that is markedly different from trustees who are union staff or rank-and-file union members.

Information was also gathered through meetings with a union reference group that was brought together under the auspices of the Pensions at Work project (PAW 2004). Contact was made with this research group on three occasions, where aspects of the study and pension life were discussed and verified. In what follows, we draw on the voices of these labor trustees and integrate their experiences with past research on union involvement in pension governance, labor trustees, and member representatives. Through these sources, we develop a model of labor trustee representation on pension boards that follows the logical sequence of recruitment and selection, training and development, and accountability. As such, this research represents an attempt to ground some of the common themes and points of controversy in labor trustee experiences and present a framework for a better understanding of the process in the hope that this would lead to more effective representation of labor interests on pension boards (Glaser and Strauss 1967). This work is also important to any large sample survey of trustees that can be undertaken in the future (Rubinstein 2001).

The Life of a Labor Trustee: Previous Literature and Interview Data

Job Demands and a Steep Learning Curve

The actual tasks in which labor trustees are engaged, the compensation they receive for their role, and logistics, such as term length and meeting frequency, varied widely among our interviewees. However, they all spoke of the binder that they receive only a few days prior to the board meeting and typically hold up their fingers to indicate its one to two inch thickness. One trustee's comments reflect the general sentiment: "It takes a full day just to figure out what you understand and what you don't, let alone learn what you don't" (PTI04). Once in the meeting, the binder is discussed cover to cover, often at a rapid pace that assumes complete understanding. In the midst of these discussions, the trustees are required to quickly vote on decisions that are based on the binder contents and may concern the allocation of millions of dollars (Post 2005). All interviewees felt that they could ask questions during the meeting, but some felt that this slowed down the proceedings and caused annoyance (PTI04; PTI08). The short notice of the binder delivery precludes attempts to contact other labor trustees or activate support networks to gain knowledge, or to solidify a particular response or stance on an issue.

In addition to the meeting preparation that occurs for two or three days beforehand, trustees spend time in the meetings (often four to fifteen meetings or days per year) and several trustees reported spending more than twenty extra hours in general learning time per meeting (PTI01; PTI07; PTI08; PTI13; PTI16). This time is often not recognized in the compensation schemes for labor trustees, who are typically paid for work missed for meeting time only. As a result, many trustees may not have the time or the will to engage in extra learning or networking (PTI14; PTI15). In this way, their potential as a strong labor representative is hampered because they do not attain the knowledge or perspective necessary to be a full participant. Interviewees told us that they must devote a considerable amount of their personal time to ensure success in their role and that they often bring leadership or union activist experience and a social consciousness to their position as a trustee. These experiences and the characteristics, such as confidence, willingness to learn, and ability to work in challenging environments, that were developed through these experiences, allowed the trustees in our sample to feel that they were effective labor representatives.

Recruitment and Selection

The selection procedures for labor trustees vary greatly, in part because of the different governance models previously outlined in Table 1. Labor trustees or their representatives can be appointed by the union from outside of the union, recommended by the union but officially appointed by the government or the plan itself, elected by plan participants, or selected by the union. The internal process for identifying talent to serve in this role is similar to the way unions select other functional specialists. It is a process of nomination by the union leadership. Even though in some unions the nominated person must then face an election, the nomination by the union executive is generally authoritative in securing the job for that person. As a result, unions tend to select or recommend union staff, union activists, or elected union officials for the role of pension trustee. One trustee reported knowing nothing about pensions before he started, but he feels that he had a lot of other skills, such as leadership ability, confidence, union experience, the gift of persuasion, and public speaking skills that made him a good trustee (PTI17). The sense that there was more to the job of labor trustee than the financial knowledge was shared by all interviewees and many believed that financial knowledge, with proper training, could be learned "on the job." What they deemed more important from the outset was strong leadership capability and a solid union perspective.

Despite the sentiments above, all interviewees agreed that the learning curve was incredibly steep and required a sustained and concerted effort to overcome. As one trustee stated, "Regardless of their background, very few people are well prepared for the educational demands of being a trustee" (PTI07). As such, the traditional nomination process used by unions could be augmented by a more formal selection approach. Human resource management professionals recommend that formal selection should include the following steps: a job description, posting the job description to recruit a pool of qualified talent, and then selecting the person for the job using validated methods. Some trustees in our sample did face more formalized systems, consisting of competency tests, statements of interest, and interviews (PTI02; PTI03). However, this level of formality may not suit the political culture of unions and an integrated approach may be more suitable.

An optimal blending of the two approaches can be done in a variety of ways. In our sample, several trustees were union staff members of pensions and benefits committees, while another was selected because of her knowledge about pensions on a policy level. A more deliberate approach (suggested by a member of the Pensions at Work Union Reference Group) would be to identify a pool of plan members, either by interest or ability or both, and train them in pension issues. When a labor trustee position becomes available, the new trustee would be formally selected or elected from this pool. The ultimate formality of the recruitment and selection process is one of debate within unions as each approach raises different issues with respect to ideology and financial and temporal resources. This matter will also require more research as to whether trustees who begin their role with a more concrete background are more effective than those who do not.

Knowledge and Ability Acquisition: Training and Social Networks

According to Schuller and Hyman (1984, 63), labor trustees generally lack the personal and organizational resources of "formal or informal expertise and the breadth and depth of experience, whether this is accumulated inside or outside the pension world." Very little formal training is provided to labor trustees either from the employer, fund, or the union, and very few enter their position with sufficient financial savvy (Schuller and Hyman 1983b; see also Myners 2001). As well, trustees are reported to have few sources of advice independent of the fund. This dependence on the inside sources further reduces the possibility of developing external social networks and other supports for independent learning.

Existing training. Our interviews and feedback from pension conferences suggest that traditional training in pension issues does exist, but it is often not adequate in meeting the needs of labor trustees (see also Hebb and Jackson 2002). Labor trustees are perceived as disseminators of information by the fund managers (and often themselves) as opposed to active participants in deciding investment policy, monitoring fund performance, and appointing fund advisors (Schuller and Hyman 1983b). Fund managers, advisors, and the financial community are reported to exhibit a paternalistic attitude toward labor trustees, and what training is provided is largely offered by the financial community and does not substantially question traditional approaches, ideologies, and perspectives (Carmichael and Quarter 2003).

One interviewee received no training when he first joined a pension advisory committee. It was only after the fund administrators realized that there was a legal responsibility for the actions of the advisory committee that the fund sponsored some training programs. However, these training programs were not seen as sufficient by the labor representatives (PTI12). Labor trustees describe courses that are short and introductory. They are replete with jargon and are often provided through a finance or business lens and rarely deviate from, let alone question, traditional pension governance (PTI01; PTI02; PTI13; PTI17). As well, these courses typically cater to pension trustees or board members in general and do not address some of the needs specific to labor trustees, such as reconciling their role or bringing forth alternative perspectives.

Interviewees also attend pension trustee conferences, but some described them as "industry gab fests" where "trustees get schmoozed and further indoctrinated" (PTI01). In addition to educational programming that may be sponsored by the pension fund, union, or employer, trustees also take courses on their own initiative. These include courses to earn their Chartered Financial Analyst designation or Canadian Securities courses (PTI01; PTI17) that cover investment and finance issues beyond pensions and are also from a traditional finance perspective. In line with these findings and previous research (Hebb and Jackson 2002), unions and education providers are beginning to develop ongoing training specific to labor trustees on pension boards at the introductory and advanced level (i.e., Canadian Union of Public Employees [CUPE], Shareholder Association for Research and Education (SHARE), Manitoba Centre for Labour Capital, Pensions at Work, and the Fédération des Travailleurs du Québec).

Training needed. The new programming mentioned above attempts to provide basic knowledge for trustees in areas such as accounting, investing, and actuarial knowledge; however, there are other areas where gaps exist in the traditional focus of training currently available. One trustee explained that there are two steps to conquering the large learning curve. The first step is to achieve the "technical proficiency of the financial lingo, how the financial industry operates, how pensions operate . . ." The second step is to develop critical thinking and alternative viewpoints and includes issues of SRI, ETI, proxy voting, and other labor agendas (PTI01). As this trustee further emphasized, "an educated trustee is not necessarily a critical trustee," but the reality of pension issues is that trustees barely achieve step one, let alone proceed to the next level where they can start exercising their position and influencing the board (PTI01). Other trustees corroborated this difficulty, stating, "It took two years just to get up to speed and start" (PTI02) and, "What do union people know about stocks and bonds? It is another universe. . . . It's a very very very steep learning curve. I've never had such a steep learning curve. And it is always there" (PTI02). Such sentiments represent a particular problem for the effectiveness of labor trustees with short tenure on the board. Typically, the term of appointment is three years, though many trustees serve multiple terms if subsequent appointment decisions or elections are favorable. The median tenure for our sample is 3.5 years and the mean tenure is 6 years.

The interviewees seemed content to attend traditional finance courses as an introductory step, but they agreed that it was necessary to follow up with a structured and ongoing system specific to labor trustees as they become more experienced and begin tackling new issues. Trustees also agreed that more detailed books on pension issues from a labor perspective and "how-to" manuals or success stories would be useful resources. Also important to labor trustees is training that will provide the opportunity to think about pension issues critically and from a new vantage point. As several interviewees agreed, providing labor trustees with the ability to argue confidently and convincingly from a labor perspective is a critical need (PTI04; PTI16; PTI17). Examples include new interpretations of the prudence principle or the concept of the triple bottom line (social, environment, and financial) to advocate for shareholder activism, proxy voting, and socially responsible investment (see Ambachtsheer 2005; Carmichael 2003; Milevsky et al. 2006; Clark, Salo, and Hebb 2005; Yaron 2001, 2003, 2004).

It is clear from these findings that more training tailored to meet the needs of labor trustees and emphasize and support a labor agenda will increase their levels of participation on the board and also make them better advocates for labor goals and objectives. This enrichment of the educational tools carries a variety of implications. Enhanced cooperation among unions and among education providers is necessary to share and build on the good courses and experiences already created. Appropriate amounts of time and resources need to be devoted to administering these programs and creating new programs to fill the training gaps identified in this article.

Social networks. Typically, a labor trustee has the potential to access a large and varied network for advice or support; however, the development of these networks requires a concerted effort (Jarley 2005). As labor trustees are most often selected or elected within the network of union hierarchy, they almost invariably possess extensive connections within the labor movement. As well, where there is more than one labor trustee on the board, a network may be easier to create. Interviewees reported situations where more experienced trustees assist newer trustees or where union pension staff in trustee roles can act as mentors for those trustees who are rank-and-filers and have less experience with the pension or financial world or the "union world view" (PTI01; PTI17). However, this mentoring is very informal and labor trustees often have little contact with each other outside of the board meetings. As well with multiunion plans, trustees do not share the same union background or perspective and may have difficulty making an immediate connection. An example of this is the Ontario Municipal Employees' Retirement System board, which has five labor trustees from five different unions.

Existing contacts outside of the union environment, particularly in the managerial and financial realms, are more limited. Trust is often a serious issue for labor trustees, particularly when they are new to their position. In the words of one trustee, "You are not ever sure who you can rely on, depend on, who will mentor you—who you can ask without making yourself look bad" (PTI04). It is very important that trustees locate advisors to help them understand their role and the associated jargon, rules, and procedures; however, in doing so, the trustee must also be careful to maintain some semblance of understanding, confidence, and competence. In this environment, where trustees are continually guarding their perspective and their potential weaknesses, the trust and understanding necessary to build a strong network of support is difficult to establish. A labor trustee's effort to develop relationships with other people associated with the fund is also thwarted by the pervasive sense of not belonging, of being unwanted or unaccepted. Interviewees reported experiences of not being introduced the first time they attended meetings, of being asked for their résumés by other board members, or feeling excluded from board decisions (PTI04; PTI09; PTI11; PTI19). As a result, the process of discovering potential allies or independent sources of advice is slow and full of pitfalls. Weatherly and Tansik (1993) suggested that talking to and obtaining social support from others is important in overcoming the role ambiguity that labor trustees face (discussed in more detail below). As one trustee stated, "A strong network with other trustees and pension plans helps to increase comfort levels for trustees and build confidence in decision-making at all levels" (PTI10).

Though all interviewees indicated that a mechanism to facilitate the development of labor trustee networks would be a welcome and worthwhile endeavor, the development of successful social networks requires mechanisms for making and sustaining contact. Currently, there is no listing of labor trustees on pension boards maintained by any labor organization. Labor trustees on different boards have little knowledge of or contact with trustees on other boards. Thus, there is limited opportunity for support or knowledge sharing among trustees. Jarley (2005) presents the lack of social networks within unions as a growing problem in an article proposing a social capital model to union organization. He argues for the return to grassroots forms of internal organization that center around worker networks to revitalize and reconnect the union membership. He writes that "such workers tend to be disconnected from one another and because of their disconnectedness, lack the resources necessary to organize on their own" (Jarley 2005, 20). This argument can be extended beyond the internal organization of individual unions and applied to the diffuse relations among labor trustees across unions. Individual trustee or union resources can be pooled and magnified through an organized network. As labor trustees operate largely in isolation across Canada, it may be necessary to develop multitiered networks (i.e., with trustees on the same board, with trustees in the same city, with trustees in the same union, and then, ideally, with trustees across unions, across the country, and internationally). Though the possibilities are almost endless, the maintenance of these networks could involve more regular and formalized meetings of labor trustees, the development of online resources, or communiqués, newsletters, or bulletins catering to labor trustees.

Union/Labor Agenda

If this article were focused on demarcating the steps to becoming an effective *pension* trustee, we could perhaps stop now. However, beyond formal recruitment and selection, sufficient training, and accessible social networks, it could be argued that a *labor* trustee on the pension board must receive clear directives from the union to be an effective alternative voice. Interviewees spoke at length about their fit within the board and within their union and the trouble they experience in delimiting or maintaining their social identity. Particularly when labor representation is first achieved, there is often an "us" versus "them'" mentality at the board (PTI09; PTI11). However, it is not always clear who "us" and "them" are. Labor trustees represent their coworkers, fund beneficiaries, and their union, while also sharing the board table with employer trustees and financial advisors. Thus, labor trustees likely receive feedback from each of these groups regarding their expectations of a trustee's role behavior and performance. It would be unrealistic to assume that that the trustee will be fully aligned or sympathetic with the values of each group in making investment decisions. On the one hand, labor trustees feel isolated from the other board members because of differences in perceived and/or actual competence and their association with the union. For example, on issues of SRI or alternative investment models, the traditional financial perspective conflicts with that of pension activists and most labor activists. On the other hand, situations arise where the trustees are united in a decision that benefits plan members, but may be contrary to either the employer or the union (PTI18; PTI20). This occurs in times of surplus, when unions typically advocate redistribution to plan members as an immediate benefit, employers advocate a contribution holiday, and the trustees (labor and otherwise) would advocate maintenance and reinvestment to grow the future pot (PTI02).

There are also situations where the labor trustee is simply not taken seriously, regardless of their perspective. This is particularly detrimental when labor trustees are in a minority on the board or, in the case of advisory committees, hold no real power. Schuller and Hyman (1984) identify barriers to information sharing and trust. They argue that a cycle of distrust could emerge where the upward and downward flows of information between the labor trustee(s) and the employer representatives, the labor trustee(s) and the union, or the labor trustee(s) and other pension staff and advisors are suspect and guarded. This distrust and protectionism may also develop because of the suspicion that the information channeled down through the labor trustees to fund beneficiaries (union members) or channeled up to fund managers may be abused. This distrust is highlighted in a statement made by a pension manager in Schuller and Hyman's study (1984, 64): "One disadvantage [of participation] is that it can prompt demands for more information. You get into the grey area of relation between participation and collective bargaining—they innocently ask for information in the participation context, then use it for collective bargaining." In this case, the manager's suspicions were heightened by the presence of the union's pensions bargaining committee and their perceived or actual relationship with labor trustees on the pension board. The result is that what information disclosure is sanctioned as a primary duty of the labor trustee tends to focus on details of individual beneficiary concern rather than the strategic functioning of the fund or the financial reports (Schuller and Hyman, 1983b).

Some of our interviewees acknowledged these barriers to involvement and noted that it can feel like labor trustees just rubber-stamp decisions made by others (PTI19; PTI12). This relates directly to the "official or de facto exclusion [of the labor trustee] from relevant decision-making bodies," noted by Schuller and Hyman (1984, 63). There is the potential that employer or government appointed trustees also act as rubber stamps for decisions. As mentioned earlier, the Myners (2001) report indicated that many trustees do not have professional experience in investing and spend little time preparing before making investment decisions. The inference from this report is that some trustees may be detrimentally uncritical of the assumed expertise of actuaries or fund managers. Schuller and Hyman (1984, 63) refer to these effects as the social desirability effect and note that it is felt by all trustees. They report that open disagreement at the board table is rare. Often the comments and proposals from both the labor and employer trustees/fund managers are constrained by "self-censorship" where proposals or comments are withheld if the anticipated response is perceived as negative. Such norms of deference may further disadvantage labor trustees because of their restricted access to and experience with high level company information and decision making and the unavailability of training programs that target nonprofessional fiduciaries (U.S. Department of Labor 2002). As such, labor trustees may be more likely to acquiesce to the advice of management and other fund advisors and not exercise the degree of independent decision making potentially available to them (Deaton 1989).

For many, the ambiguity and occasional duty to act like an employer (i.e., when distributing a surplus or hiring fund managers) can weaken their association with the union. One trustee makes this point with respect to the fiduciary responsibility argument. "[Fiduciary responsibility] says you will act in the best interests of the pension plan and in saying that a lot of trustees will then lose their role as a union representative" (PTI17). The trustee goes on to describe the difficulty faced when bringing forth a labor perspective within the "old boys club" mentality of the board. "Because there is this collegial atmosphere, there tends to be less challenging, and when you interject with a union perspective into that sort of milieu, if you seem too overt they can always fall back on the notion that you are not following your fiduciary responsibility" (PTI17). Some trustees also mentioned the "wining and dining" and subtle co-option process that occurs when trustees are invited to expensive industry parties and when they are exposed to an environment of power previously closed to them (PTI02; PTI17). It is important to note, however, that this process is often very intangible. Several trustees noted positive relationships with their employer or government counterparts and stated that they were sometimes convinced to side with the labor trustees on particular issues (PTI18; PTI20).

Schuller and Hyman (1984) report that labor trustees often just act as watch dogs. Their presence and questions obligate the fund managers to provide more detailed explanations of proposals and forces them to anticipate and answer alternative questions. However, they also suggest that labor trustees can take a more proactive and participatory role and propose investment alternatives and/or engage in debate over submitted proposals. Choosing one of these positions and developing a clear union agenda on the purpose of their labor trustee(s) is paramount for the success of a strong labor voice on pension issues. This overarching strategy (either within a union or within the labor movement as a whole) can then inform the development of labor-centric training programs and the creation of networks of labor activists and other labor trustees around pension issues. This clear agenda will also likely impact the recruitment and selection process because the applicant most able to deliver on that agenda should be selected. With cohesive frameworks and clear messages at each stage of their development, the labor trustee can be expected to be better able to articulate alternative investment objectives at the board table, and thus be a more effective voice for labor interests.

Accountability

To maintain this cohesiveness and support the strategic agenda, a stronger administrative link between the union and the labor trustee is needed. It is necessary to link the strategic planning regarding labor trustee roles and expectations to the functional stages of trustee development. Currently, there is very little answerability of labor trustees to their unions or the plan beneficiaries. Indeed, many cannot be removed by the union or by a constituency that has lost confidence because they are officially appointed by the employer or government (PTI17). Only one trustee in our sample mentioned any sort of assessment process and it was at the board level. In his case, all trustees undergo an annual self-assessment and interview by the board chair, the results of which are discussed at the board table (PTI05). One issue that arises here is the extent to which a union may want to maintain a close rein on the trustee. This would depend on the strategy that a union may adopt for its control of pension funds. If the union wants a purely fiduciary monitoring role for itself, then it does not need to set up tight accountability controls on its trustee. Fiduciary duty is well-defined in statutes and pension regulations. On the other hand, if the union wants to use, for example, proxy voting at selected firms to send a message to employers, then it needs an accountability regime in which the trustee would work closely and meet frequently with union leadership to develop strategies for proxy voting.

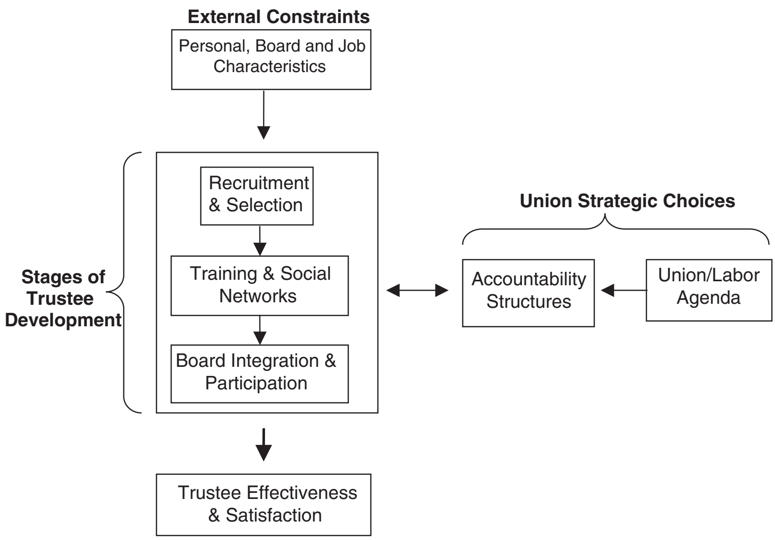
As well, though unions have fought for labor representation through legislation or collective bargaining, the issues of pension governance do not seem to be a top priority. Trustees commented that the union is “not interested in training workers to become mini-capitalists” (PTI01), that the union only shows interest when there is a surplus or controversy (PTI02; PTI09; PTI17), and that there is a lack of institutional union support for trustees (PTI05; PTI06). One interviewee said that he was not required to report to the union on pension matters, but he would always scan the material received at meetings and send it to the union. He never received feedback and was convinced that no one even read the material that he had sent (PTI12). It appears that reporting structures that do exist between labor trustees and unions are informal, ad hoc, and largely initiated by the trustee.

In conjunction with the devotion of resources to the creation and support of labor-centric pension education, unions need to reevaluate their position on pension issues and commit to the support of their labor trustees. Structures that link trustees to their unions for accountability, direction, and support are largely absent, but trustees do want them and feel that they would benefit from the connection. The lack of pension issues as a union priority erodes the connection between the trustee and the union, and therefore the development of a labor agenda on pension matters. The establishment of a pension priority and links between trustees and their unions will necessitate the creation of new administrative structures, feedback loops, and the commitment to bring a clear union agenda to the pension board table.

A Framework for Labor Trustee Effectiveness

As noted earlier in the article, many of the challenges faced by unions as they involve themselves in pension governance are similar to those faced by unions who attempt to expand their role in governance and management more broadly. Union

Figure 1
Model of Effective Labor Representation on Pension Boards



members involved in management decision making more broadly have faced many of the same experiences as the labor trustees interviewed for this research. Some key similarities include the tension associated with labor participants slowing down decision making, the lack of time for caucusing among labor participants before or during meetings, the lack of time before meetings to gain additional knowledge, the feeling of not belonging, the inconsistency of selection methods and the paucity of accountability mechanisms, the lack of a clear union agenda regarding expected behaviors and desired outcomes, and the need for more union resources (time and money) to be devoted to the participatory process (Eaton and Rubinstein 2006).

As an aid to addressing and overcoming these challenges, we develop a model that codifies the important components and stages of labor participation in pension governance and more general participation in management decisions. The model links the external constraints within which the trustee must operate (personal, board, and job characteristics), the functional processes of trustee development (recruitment and selection, training and development of social networks, and levels of integration and participation on the board), and unions' strategic choices in defining trustee roles (union agenda and accountability structures). This model is depicted in Figure 1. Though we did not explicitly study trustee effectiveness in this research, we propose that labor trustees will be more effective members of the pension plan board of trustees if they arrive at the table with a clearly defined role, a well articulated purpose, and sufficient support through training and social networks. Future research on a larger and more quantitative scale is necessary to test this hypothesis.

Throughout this research, we have advocated a stakeholder approach toward union involvement in pension governance; however, this model recognizes that some unions may choose to take a more conservative approach. The implication here is that the resources committed to trustee support and development will be different depending on the strategic choices and goals of the union. Regardless of those specific goals, trustee development should be aligned with union strategy through appropriate accountability systems to maximize the trustee's ability to carry out those goals.

In many ways, this model follows the methodology used in human resource management in organizations. Candidates are first recruited based on a job description that is posted to attract applicants, and then the best person for the job is selected from a qualified pool by assessing potential performance on specific job-related criteria. After selection, the successful candidate begins the job and undergoes orientation and training to give them the skills needed for successful performance on the job. During this period, the new hire will develop formal and informal social networks with colleagues, supervisors, and external contacts. They also begin to draw on the social networks they have previously developed to help them cope with the demands of the new job. Following these steps, the new hire reaches a stage where they have achieved a certain mastery of the characteristics of the job and are integrated and participating members of the organization. Decisions and actions at each of these stages are influenced by the organization's strategic plan and vision and this link is reinforced by systems of accountability, such as performance reviews and regular feedback meetings. The personal characteristics that an individual brings to the job, the nature and description of the job itself, and the characteristics of the workplace also act to influence each of these stages. If these steps are followed faithfully, the process is predicted to yield positive outcomes such as effectiveness of performance on the job and worker satisfaction.

For unions, which are political organizations, the human resource management sequence of recruitment, selection, training, performance review, and so on, may prove to be too linear and inorganic. Unions need to develop leaders who can represent their constituency and mobilize resources to achieve their goals through the exercise of power. This process is often idiosyncratic and organic. It is hard to predict who will emerge as a leader, and one can not apply simple processes of human resource management to identify union leaders. Hence, it would be unrealistic to suggest that the political model used by unions should be cast aside to make room for a more systematic approach to finding labor trustees. However, the findings of this study suggest that there is room to blend the best features of the human resource management approach with that of the political approach to identifying leaders within the labor movement. Trustees interviewed for this study have indicated fairly unambiguously that better training, accountability, and a clearly identified mandate would go a long way in making them more effective in their roles on pension boards. There is no reason why these activities would be incompatible with political processes within the union. On the contrary, once the steps outlined in our model have been widely disseminated as union policy, it is entirely likely that individuals aspiring to political leadership within the union will begin to acquire skills and experience that will make them suitable candidates for the pension trustee role. Thus, both mandates, political and organizational effectiveness, can be achieved if findings of this study were to be addressed in future selection, training, and performance of labor trustees.

Conclusions

In general, the trustees that we interviewed entered their roles with strong social networks within their own union, had benefited from union support and other organizational resources in their past roles as union officials, and had gained important experience and knowledge as a result of those union activities. They were confident, excellent communicators, and were motivated to learn. As well, they entered their role with strong union identities and values. Each of these characteristics aids them as they navigate the intricacies of the pension board. However, this study helps us identify five areas that hinder the integration and participation of labor trustees on the board. Though not described or measured in this study, it is likely that labor trustees who are not integrated on the board and have decreased participation levels will be less effective in the role of pension trustee. Further research is necessary to corroborate this inference. Of the five areas of weakness, the first is that selection procedures are typically not tied to competencies or qualifications that are based on the job description, characteristics, or purpose of the labor trustee role. Second, and in the same vein, new labor trustees have limited prior experience with pensions or financial matters. Third, the knowledge and ability acquisition mechanisms that exist are often inadequate for labor trustees. They lack adequate levels of formal training (particularly that which elucidates a labor perspective) and they have limited social networks with labor trustees outside of their union, with their employer or government counterparts, and with members of the financial community. Fourth, most trustees do not have a clear structure of accountability that outlines their individual responsibilities to the union and the union constituency. Lastly, and perhaps most importantly, most unions have not developed a strategic plan for their labor trustees and the labor movement has not developed an agenda for their role in pension governance.

The implication of these findings is that token labor representation will not democratize the control of pension funds. Without training, support, and a strong agenda toward alternative investing on social, ethical, and environmental grounds, labor trustees will be isolated by their perceived conflicts of interest and held to firm lines of fiduciary responsibility. Even the CAW, arguably the strongest critic against union involvement in pension governance, has labor trustees on some plans (i.e., Air Canada, CP Rail, VIA Rail), and must make practical decisions about their purpose and their support. If individual unions and the labor movement as a whole can agree to and actively support a mandate on pension fund involvement and labor representation, they can produce labor trustees who can influence investment strategies on their own boards, form coalitions with other pension activists and progressive investors, and lobby for pension and investment reform with a single, much stronger, voice. This article also adds to the general literature on union participation in governance and management. As previous studies have shown, unions cannot embark on such involvement lightly. Such decisions alter the relationships between unions and management, between unions and their membership, and among the greater labor community. They change expectations and set new standards (Rubinstein 2001). Unions, and in the case of pension governance, their trustees, will more easily navigate this new ground if they enter with an agreed-on plan of action and tangible expected outcomes.

Future Research

A final implication of this research is the application of this model beyond the Canadian context. Despite differences in pension regulation and structure across Canada, labor trustees experience very similar situations on pension boards and face similar challenges. As well, unions face similar struggles regarding their positions as social, economic, and political actors. As such, the model developed here could be applied to labor trustees in other countries, despite differences in overarching institutional frameworks.

This study is an important first step in examining the experiences of labor trustees on pension boards, but more research is necessary to develop a broader view and to verify the model presented. Though the interviews conducted were quite informative, they are a small set of views and also overrepresent Ontario-based public sector pension plans. To gain access to a larger sample of trustees from public and private pension plans across the country, a large sample survey is needed. Such a survey can better assess whether our findings in this study generalize to the population of labor trustees at large.

Appendix A
Questions for Interviews with Labor Trustees

1. How long have you been in the labor force?
   How long have you been a member of your union?
   How long have you been a pension trustee?
   What is your current job?
2. How did you become a pension trustee?
3. When you first became a pension trustee, how much experience did you have dealing with pension funds?
   What previous training or experience did you find had prepared you for your role as a pension trustee?
   In what areas did you find your background to be lacking in terms of doing your job as a pension trustee?
4. When you first became a pension trustee, who did you turn to for advice or support in your role? Who do you turn to now (i.e., other trustees, union staff, pension staff, other sources)? How many times do you meet in a year? Do you think you are prepared for meetings? How much material do you receive? How do you handle getting up to speed on the material?
5. Does information flow well between trustees? Between fund advisors and/or staff and trustees? Between union trustees and the union? Between trustees and members of the plan? Is this flow of information adequate for you to do your job? Does it help or hinder you in any way?
   If you do not understand something, do you feel free to ask questions? If you need further information, do you feel free to request it?
6. Since becoming a trustee, have you received any formal training, orientation, or other programs/courses for union trustees?
   If yes: What type of program was it and did you find it helpful?
   If you were to take more (or any) formal training to prepare you for this job, what would it be?
7. What are your responsibilities as a union trustee compared to the other trustees?
   Do you experience a conflict in your role as a union member and your role as a trustee? Can you give some examples of times when you experienced this conflict and how you handled it?
   How would you characterize the relationship between union trustees and fund managers and/or pension fund staff?
   How would you characterize the relationship between employer trustees and fund managers and/or pension fund staff?
   Does your relationship with (1) your union, (2) your employer, and (3) pension staff and other trustees impact your ability to do your job as a trustee?
   Does the union-management relationship at your workplace impact your ability to do your job as a trustee?
8. Do you like doing your job as a pension board trustee? Would you like to be reappointed?
   How do you accommodate the demands of your trustee position with your regular job and/or your union work?
   Are there mechanisms that you use or things that you do to make your job as a trustee easier, more manageable, less conflicting, etc.?
9. Based on your experience and knowledge of pension boards and trustees, how should pension funds go about selecting people to be union trustees?

Appendix B
Profile of Interviewed Labor Trustees

ID	Gender	Visible Minority	Age Bracket (Years)	Tenure on Board (Years)	Fund Jurisdiction	Fund Sector
PTI01	M	No	35–39	4–9	Ontario	Public
PTI02	M	No	55–59	3 or less	Ontario	Public
PTI03	M	No	50–54	4–9	Atlantic	Private
PTI04	F	No	55–59	3 or less	National	Public
PTI05	M	Yes	40–44	3 or less	Western	Public
PTI06	M	No	55–59	10 or more	National	Private
PTI07	M	No	45–49	4–9	Atlantic	Private
PTI08	M	No	55–59	3 or less	Western	Public
PTI09	M	No	50–54	3 or less	Atlantic	Public
PTI10	M	No	35–39	3 or less	Western	Public
PTI11	F	No	50–54	3 or less	Atlantic	Public
PTI12	M	No	50–54	3 or less	National	Private
PTI13	F	No	55–59	4–9	Western	Public
PTI14	M	No	40–44	4–9	Ontario	Public
PTI15	M	No	35–39	3 or less	Western	Public
PTI16	M	No	45–49	3 or less	Western	Public
PTI17	M	Yes	45–49	4–9	Ontario	Public
PTI18	M	No	50–54	10 or more	Western	Private
PTI19	M	No	55–59	10 or more	Quebec	Private
PTI20	F	No	50–54	4–9	Western	Public

Notes

1. Union representatives are also called member representatives, labor trustees, union trustees, and plan participant representatives, and sit on pension boards, committees, and advisory committees. For brevity, we will use labor trustees and pension boards to denote all of these possibilities, unless otherwise stated.

2. The codes PTI01–PTI20 reference interviews with labor trustees. See Appendix B for a profile of interviewees.

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