

# [A Recent Arbitration Decision Confirms That Gossip By Management Can Lead To Employer Liability](#)



It is well established in Ontario law that an employer may face liability for fostering a toxic workplace environment. Courts have typically found a poisoned work environment in cases involving harassment, repeated bullying, or discriminatory conduct. However, there is increasing recognition that pervasive workplace gossip, particularly by individuals in positions of authority, can also create a poisoned work environment.

A recent arbitration decision, *International Association of Machinists and Aerospace Workers, Local Lodge 1922 v. Canadian Office and Professional Employees Union*, 2026 CanLII 50092 (ON LA), confirms that sustained workplace gossip by a senior leader may constitute workplace harassment and contribute to a toxic workplace.

While the decision addresses complaints from two employees, the complaint of Grievor One is particularly instructive as it relates to pervasive gossip. Grievor One reported that the Executive Director frequently spoke negatively about other employees, causing her significant discomfort and distress.

The comments went beyond performance-related feedback. The Executive Director referred to employees as “incompetent”, “inexperienced”, “lazy”, and “terrible at his job”, as well as saying one particular colleague was “crazy” and had “mental health challenges”. The Executive Director also made comments about individuals in higher positions within the organization indicating they were “crazy,” “drunk all the time”, “mentally unstable” and “aggressive”.

After the Grievor’s filed their complaints about the Executive Director’s conduct, the Employer retained a workplace investigator to investigate the complaints. The Investigator made various conclusions, including that the Executive Director’s gossiping was pervasive and contributed to a toxic work environment. Witnesses stated that the gossip would happen for extended periods, which led them to avoid going into the office. The Investigator found that this created a psychologically unsafe atmosphere in which exposure to gossip was effectively unavoidable.

While the Investigator’s conclusions were instructive, they were not binding on the Arbitrator. The Arbitrator was tasked with independently determining whether the conduct complained of violated the collective agreement and the *Occupational Health*

and Safety Act ("OHSА"). The OHSА imposes obligations on employers to prevent and address workplace harassment, as defined under the Act.

The Arbitrator concluded that the pervasive gossiping of the Executive Director constituted workplace harassment in violation of the OHSА. In coming to that conclusion, the Arbitrator noted that the comments made by the Executive Director about other employees were abusive, demeaning, and hostile. The comments were not only degrading and humiliating for the employees who were the subject of the comments, but also for Grievor One, who had to listen to the abusive and inappropriate comments. Grievor One had to carry unwanted knowledge regarding her colleagues around with her in the workplace and was caused to worry whether similar comments were being made about her to others in the workplace.

The Arbitrator's decision draws an important distinction between workplace harassment and normal abrasiveness of daily life in the workplace. While workplace harassment processes should not be used to deal with personality conflicts and personal animosity, the Arbitrator emphasized that sustained, negative commentary by a person in authority crosses the line into misconduct that causes serious harm and creates a culture of mistrust and a psychologically unsafe workplace.

Notably, the Arbitrator noted that Grievor One sometimes engaged in, and even initiated, negative discussions about the abilities of co-workers. However, this did not diminish the seriousness of the Executive Director's conduct, and the fact that this conduct was unwelcome. The Arbitrator explained that *"it is one thing for an employee who is frustrated by a lack of work or effort by a colleague to vent that frustration to their supervisor. It is quite another thing for that very supervisor to engage in a pervasive pattern of highly abusive and inappropriate comments as found by the Investigator."*

This decision serves as an important reminder that workplace harassment can arise not only from direct targeting, but also from repeated exposure to toxic and negative commentary. It underscores that those in positions of power set the tone of the workplace, and that informal communication, including gossip, can carry legal liability.

Employers should ensure that managers understand their obligations to maintain professionalism, safeguard personal and professional information, and refrain from sharing disparaging views about employees. Even casual or conversational misconduct, when pervasive and harmful, may be sufficient to ground a finding of a toxic workplace.

*The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.*

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