Working Better Together

A Practical Guide for Union Leaders, Elected Officials and Managers to Improve Public Services

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Acknowledgements

This book assembles best practices and lessons learned from successful and on-going labor-management cooperative initiatives led at the strategic level by both union and management. Our insights are the result of almost 30 years of working as leaders in, and facilitators of, labor-management initiatives at the national, state and local levels. We are deeply indebted to the union leaders, elected officials and public managers with whom we have worked over the years and from whom we have learned the many valuable lessons that we are sharing with you in this publication. We want to give special thanks to Ray Oliver, AFSCME 2384; Michael Gritzuk, Phoenix Water Services; Bill Meeks, AFSCME 1683; John Huber, Louisville Water Company; Laura Rico, AFT 2317; Ron Barnes (retired ABC school superintendent), Fran and Dal Lawrence, Toledo Federation of Teachers; Craig Cotner and Eugene Saunders, Toledo Public Schools; John Williams, HDR Consulting; Dennis Houlihan, AFSCME and Tom Moran, AFT.

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Because words of inspiration and humor have gotten us through some of the darkest days, we have included some of our favorites from Kevin Cashman’s Leadership from the Inside Out, from Guy A. Zona’s The Soul Would Have No Rainbow if the Eyes Had No Tears, and from Marcia Calicchia’s Facilitator’s Handbook. We have also included a number of pertinent cartoons from The New Yorker.

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## Contents

- **Introduction**  
  5  

- **Chapter 1: Is Labor-Management Cooperation the Right Strategy?**  
  11  

- **Chapter 2: Leadership Demands in Labor-Management Partnerships**  
  19  

- **Chapter 3: Key Elements of Strong Labor-Management Cooperative Initiatives**  
  27  

- **Chapter 4: Communications and Problem-Solving**  
  37  

- **Chapter 5: Pay for Performance Plans in the Public Sector**  
  45  

- **Chapter 6: Institutionalizing the Labor-Management Approach**  
  55  

- **Conclusion**  
  61  

- **Appendices**  
  63
A s we begin the 21st century, public sector union leaders and public officials are challenged by an increasingly complex world with conflicting demands and fewer resources. Public revenues are constrained by the cost of entitlements and anti-tax sentiment. While citizens support the goals of government, anti-government activists have been successful in convincing them that the public sector cannot deliver services in an effective and efficient manner. Moreover, competition is growing from the expanding non-union low-wage private sector eager to bid on public work.

Neither public sector managers nor public sector union leaders will be effective if they do not reconsider their traditional strategies. Old industrial paradigms of production and employment practices will no longer satisfy the demands placed on public managers. Unions can no longer simply react to management decisions or depend on the support and good will of the public and politicians.

Cooperative efforts between labor and management to improve public services are a mechanism to deal with these stresses. Almost every public sector labor-management initiative we have encountered began in response to external pressure: whether it is pressure to do more work with fewer resources, or a community was angry at the quality of service, or the private sector was promising the service at a lower price.

Labor and management stay in collaborative relationships because they yield important results. Working together can lead to creative, empowered work forces, greater efficiency, and higher quality, more responsive public services. Specific successes include improved student achievement in low performing schools, lower social worker turnover and strengthened services for foster children, more affordable water rates and improved water quality, increased funds for school construction, better regulations and support systems, and coalitions with new partners. Improved conflict resolution and communication skills between the parties also reduce the amount of time spent resolving internal conflict and formal grievance procedures and increase the amount of time spent on the purpose of the enterprise. By discussing goals and workflows upfront, implementation time is shorter and the implementation process is improved.

As a result of this work, the parties come to understand their mutual interests. Still, labor and public managers work with each other to accomplish their own goals:

“Ultimately each party evaluates strategic involvement in terms of the degree to which it furthers the substantive goals that are central to its individual interests. While the rhetoric surrounding these processes often focuses on general social or economic welfare issues and the desirability of moving toward more cooperative relationships, the process has not been made a permanent part of the parties’ relationships unless it achieves tangible results.”

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3 Labor-management cooperative efforts that produce higher quality and more cost-effective public services are one component of an effort to maintain a public sector. Anti-tax crusaders have been successful in their ideological war against the public sector. Anti-government activists get away with global statements about waste, fraud and abuse in government without substantiating these claims, often without naming one specific example. We have learned from studying Governor Mark Warner’s successful effort on budget and tax reform in Virginia that, to secure support for government and for higher taxes, you first must deal with some inefficiencies. (“Finding the Sensible Center: Virginia’s Tax and Budget Reform,” Kennedy School of Government Case Study, Forthcoming, 2005). Using labor-management cooperation is one tool for dealing with inefficiency and for improving quality in the public sector.
Managers see the value of working together as the issues they deal with become increasingly complex. They require the additional perspectives and expertise that frontline workers and citizens contribute. Workable solutions often require collaboration across organizations. Pressures from advocates and citizens impact multiple political hierarchies and, as a result, a change process should involve people who know how work is done and who needs attention.5 Some managers believe that empowering workers and collaborating with unions results in greater productivity than can be achieved by a top-down managerial approach.

Unions have found that working with management can increase much desired control by members over their individual and collective work processes.6 Unions hope these efforts will result in more support for public institutions, improving employment security for their members and the security of their unions as institutions.

This book is written to help both labor and management be more successful in creating and maintaining their relationships with each other and their stakeholders. This is not a book about collective bargaining or about interest-based bargaining (although some of the principles involved in interest-based bargaining are useful in this work). The book explains how working together can improve a service or product produced by the enterprise. It discusses two change processes that are happening simultaneously: expanding the way labor and management relate to one another and changing the way work is done in an agency.

The focus of the book is the public sector, which differs from the private sector both in purpose and stakeholders. While much can be learned from selected innovative business practices, the requirement of democratic accountability makes the argument for special attention to the public sector.

This book assembles best practices and lessons

“...Well, we’ve licked taxes—that just leaves death.”


6 Working Better Together
learned from successful and on-going labor-management cooperative initiatives, led at the strategic level by both the union and management. Our approach is based on the understanding that people pursue labor-management cooperation because they want improved products or services, lower cost, more efficient use of valuable human effort and time and greater employment security. We have seen how labor and management can turn to each other as valuable partners to achieve these goals.

Most believe that in order to accomplish this, organizational processes and personal skills must change and/or be enhanced. As a result, this book focuses on analysis of the strategic reasons for pursuing labor-management cooperation, essential organizational dynamics and personal skills, elements of conflict resolution, and requirements for sustainability of the approach over time. Since many other publications deal with basic techniques of running meetings and problem solving, we will not deal with these issues in depth here.

We have included information that we hope is helpful to both labor and management leaders, as well as specific material for union leaders and particular material for management leaders. Our insights are the result of almost 30 years of working with labor-management partnerships. We hope that the experience we have gained from the past four years of work in four public sector industries at the local and national level under a Public Sector Labor-Management Committee (PSLMC) and Kennedy School of Government (KSG) project supported by the Ford Foundation is also reflected here.

Why Labor-Management Cooperation Works

The challenges facing the public sector often require managers and bargaining unit employees to work in networks because the knowledge required to solve problems is not inherent in any particular role. Public education is a good illustration of this. Leadership in public school systems is “distributed” across a wide variety of people and positions instead of simply knowing leaders. This is not just a consequence of the structure of school districts, nor of highly fragmented authority hierarchies, nor even of loosely coupled relations between various parts. Leadership is “distributed” because the system is so complex it is impossible for any one person or role to fully see and control it. As a result, performance shortfalls can only be fully addressed if the perspectives, insights and wisdom of people working in different parts of the system are brought to bear on the problems, the design and the implementation of solutions.

To a large degree, most public agencies operate with a distributed leadership network. Formal authority exists in multiple roles, some are elected, others are appointed and still others have career civil service status. Informal authority and local knowledge about work processes and clients are held by frontline employees and union representatives. The public, advocates, the media and sometimes the courts, also play important roles. Engaging the distributed leadership network in improving organizational performance or dealing with resource constraints increases the organization’s capacity to change and to respond to change by enriching the analysis of problems and expanding the universe of potential solutions. The broadened base of active participants helps to institutionalize innovation rather than allowing it to be dependent on the presence of one charismatic leader.

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Labor-management efforts work because the union as an institutional actor brings more to the table than the sum of the talents and perspectives of its individual members. Research on collaboration and distributed leadership across industries demonstrates that organizational performance gets the greatest boost from employee participation in problem solving and decision making where the local union is supportive of the effort and involved in the design and governance of the participation mechanism. This effect is partly the result of external resources the union can bring to improvement efforts—resources such as technical assistance from the international union, contacts with innovators in distant jurisdictions and access to elected officials.

Additionally, the union can play a unique role in aggregating the various threads of employee concerns and bundling them into a coherent and digestible set of recommendations. The union local is where bargaining unit members voice their various perspectives and concerns and where deliberation and prioritization of those concerns can occur. In this way, unions can organize the workplace and thus be very helpful in either moving the change agenda along (or blocking that change).

Barry Bluestone, in a review of labor-management initiatives, lists some additional ways unions can be helpful. Unions:

- Weed out bad plans;
- Keep management from reverting to old ways;
- Provide mechanisms for addressing a company’s glitches in their employee involvement processes without throwing out the whole process;
- Tend to be the only practical way to give workers a meaningful voice;
- Play a crucial role in educating workers to make informed decisions and provide a creative power and tension that does not exist in nonunion settings.

Following the principles of scientific management, traditional workplaces are designed so the manager does the thinking, and the worker does the working. However, this methodology does not perform well in situations where the tasks are complex and the stakeholders are multiple. In fact, the way work is actually done rarely conforms to institutional work flow diagrams or workplace manuals. The modern essence of work redesign turns the principles of scientific management completely around to focus on what workers actually do rather than what processes designed by managers order them to do. Capturing what the workers really do can improve the outcome of the work process and is likely to result in greater efficiencies and more effective service. This is the core of work redesign.

Work outcomes are accomplished by a series of actions taken by individuals who have managed to make a particular system work by incorporating the checks and approvals required by the agency. Generally, workers make improvements through either the supply chain, through approval systems, or work orders. Work redesign facilitates this process. Because, in our view, the social interactions during the course of work are just as vital as the physical process, we use a socio-technical approach to work redesign.

Efficiencies are the result of the people who do the work generating ideas for improvements (once the true work system is plotted). This is much more complicated than it may first appear. The very act of asking a worker “what do you think?” changes the relationship between a manager and employee.

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**Introduction**

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11 Research findings make clear that the positive effects of participation are greater and longer lasting when unions as well as individual employees are involved and where the domain of discretion is expanded to include strategic issues. See Edward Lawler III, Susan Mohrman and Gerald Ledford, *Employee Involvement and TQM Practice and Results in Fortune 500 Companies*, Jossey-Bass, San Francisco, 1992.


relationship between a manager and employee. Asking what a person thinks can imply that the manager is no longer “thinking” for the employee; the employee is no longer dependent on the manager to think for him or her. This change in relationship is often exhilarating (and somewhat scary) for the employee and usually causes the supervisor grief. Managing the work redesign process, and eventually a process where continuous work design occurs, involves managing this dynamic. It involves a series of carrots and sticks for both the bargaining unit employee and the supervisor, or manager, to get the work processes mapped, problems analyzed, and redesigns considered and implemented.

Rarely will bargaining unit employees give their ideas freely unless “fear” is taken out of the workplace. Fear can be generated by employment insecurity or supervisory retaliation. The union can help reduce fear by participating in the creation, maintenance and oversight of processes that encourage an open environment. The union is a counterweight to management excesses by negotiating collective bargaining language that prohibits lay-offs (but not job change) as a result of these initiatives and by participating in a conflict resolution process that allows employee concerns to be considered.

The creation of an environment where taking risks is valued and mistakes tolerated is key. This is very difficult in the public sector and explains why it is crucial to have support from elected officials and the community when engaging in improvement efforts. Often when significant changes are contemplated, bargaining unit employees are given employment security in order to encourage creative thinking about the elimination of wasted or non-value adding work.\textsuperscript{15} Amending job evaluation criteria to more accurately reflect the work and to include the amount of change accomplished and/or outcomes improved also helps. Finally, risk taking and change are often stimulated by incentives for both managers and union members.\textsuperscript{16} There is an old union saying: “Praise is good, money in the pocketbook is better.”

**Systems**\textsuperscript{17}

In every case of successful labor-management cooperation we have encountered, the top management leader has a deep appreciation for the fact that any product or service is a result of a system and that

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15 See Article 21.05, collective bargaining agreement between the State of Ohio and the Ohio Civil Service Employees Association, AFSCME Local 11, 1997-2000.
16 Pay for performance will be discussed in chapter 5.
changing any part of the work process will change the system as a whole. In fact, these managers see their responsibility as aligning the systems in the workplace so that the greatest efficiencies and best services are possible. In other words, procurement and financial and human resources policies and procedures enhance the specific delivery of a service. Following this concept, it becomes clear that no one individual (including the person at the top) can impact any work product as much as the systems do—the way in which the work is organized, how divisions and departments support one another and how the agency’s financial and benefit systems interact with the goals of the agency as a whole.

Once the systems approach is adopted, it does not take long to see the extent to which the or agency is affected by forces in the external environment. The external environment includes players near and far: suppliers of materials or equipment, federal or state policy and procedures, laws, regulations, electoral politics, private companies, the media and international trade agreements. These external factors affect the agency, but the agency can affect them as well. For example, Kansas City, Missouri has been very effective in changing the cost of procurement by actually changing the city legislation governing it and by pooling the resources of other jurisdictions so they approach vendors together.

Teams and Partners

Once the focus of analysis is systems oriented, there is less focus on individuals and more on teams across functional or department boundaries. How many great people fail because of a counterproductive work environment? Put a good person in a bad system and the system wins every time.

In the systems perspective, it is the interaction of individuals in teams, teams with other teams, departments with other departments, and so on, that is of interest. Since this is such a unique way of looking at the world of work, training for people who are beginning to use a systems perspective is absolutely necessary. Training is needed to help people be more productive in their interactions with one another, to learn to take responsibility for “fixing” someone else’s problem, to learn how to solve problems rather than to assign blame. Incentives, social and monetary, are also needed to reinforce team behavior and to align individual with team behavior, and ultimately with organizational goals. Clear incentive and evaluation systems based on team performance are especially important for managers.

Forming a partnership with the union (and union with management) has the potential of leveraging both internal and external forces. The union can set the tone and temperature of a work place. Beyond the formal working conditions and wages and benefits, unions can shape the attitude in the workplace and even impact the way managers think. In the same way, management can stop innovation and destroy good will with poor practices. Together, and sometimes because of their institutional differences, a united union and management can have an enormous impact on a product or service, elected officials and community. Working together maximizes resources and is what is required in this difficult and complex environment.

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How much decision making responsibility do you want? For better organizational performance, how much control are you willing to share in return?

There are different levels of labor-management cooperation—from sharing information to sharing decision making. The more decision making on the strategic issues of the agency is shared, the more resources are required from both the union and management, and the more accountability for organizational outcomes will be shared by the parties. Consequently, it is wise for the parties to start their cooperation with small projects and make graduated shifts toward joint decision making.

Kinds of Decision Making

What level of decision making authority will the union share? Will the union be:

• Informed of agency decisions prior to implementation, but not have authority or influence to change them? For example, management notifies the union that it will introduce a new work rule that does not deal with a mandatory subject of bargaining. Or management introduces rules dealing with management practices for non-bargaining unit employees.

• Informed and consulted? The union may critique decisions prior to implementation but mutual agreement is not required. This type of decision making may occur when management establishes work rules or personnel policies that are not mandatory subjects of bargaining or when privatization decisions are being considered.

• Asked to participate as a developer of decisions, but without control over decisions? This level of cooperation occurs when union member participation in problem solving activities is desired, but management retains veto power over the final design of the solution and has sole authority for implementation. For example, soliciting ideas about new equipment needs.

• Asked for input in decision making, monitoring and correcting implementation? At this level of cooperation, management still retains its veto power over decision making but the union and management act as equals in all other ways. This is the first stage of a partnership. For example, on a joint health care committee, both the union and management representatives study the problem, ask for expert advice and budget information and then recommend options. These recommendations are forwarded to the appropriate agency management personnel for a final decision. The labor-management group may monitor the outcome and implementation and then make further recommendations for improvement.

• Full partners in decision making and implementation, including monitoring and correcting implementation? Both sides are engaged in conceptualization, implementation and evaluation of the initiative.

Labor-Management Partnerships

While the purpose of labor-management partnerships is to facilitate continuous improvements in the performance of public agencies, they must also meet the strategic goals of the union, its members and of the public agency. A partnership is the most sophisticated level of labor-management cooperation and consequently involves a significant commitment of time and resources from both parties. These partnerships require the attention of top union and agency leadership.

This manual will primarily deal with issues surrounding labor-management partnerships. Below are two examples of long-lived partnerships:

The Toledo Plan is a peer mentoring program to improve the quality of teaching and increase student achievement. This initiative is a partnership between the Toledo Public Schools and the Toledo Federation of Teachers. Every first year teacher is assigned to a successful veteran teacher consultant for mentoring and evaluation. A peer performance review procedure also exists to gauge whether veteran teachers’ classroom performances meet key standards. New and veteran teachers who do not meet the defined performance criteria are provided with intense peer assistance and coaching to help them bring their work up to an acceptable level. Typically, at the end of the school year, the consulting teacher makes a recommendation to a joint labor-management board about whether to retain the novice teacher. It requires votes of representatives of both labor and management to deny teachers a renewal of their contract, and novice teachers are not renewed at a greater rate than in comparable districts. Only one recommendation of the labor-management board has been reversed by the Board of Education.1 Ohio state law gives local boards of education final authority on hiring and firing decisions.

Ohio Civil Service Employees Association (OCSEA), AFSCME Local 11 and the state of Ohio’s Workforce Development Fund is another example of a partnership at the joint decision making level. Workforce Development is a fund that supports labor-management training and organizational development in the form of tuition assistance, workplace redesign and labor-management training funds to AFSCME bargaining unit employees in the state of Ohio. It is governed by a board comprised of equal numbers of cabinet level managerial appointees and state employee union officials. The board determines program goals, operating principles and hires staff to implement the programs. Workforce Development is funded through pro-rated contributions by management and bargaining unit employees. In this case, the strategic goal of the program is to improve the quality of public services received by Ohio citizens through increasing the education level of state employees.

Forging Labor-Management Partnerships at the Strategic Level

Changing times demand new ways for management and labor to tackle problems. The urgency and the size of the demand for change generally force labor and management leaders to work together—at least in the short run. However, once a specific crisis has passed, many management and union leaders drift back to more traditional approaches to problems. If the changes faced today were going to be short-lived, this approach might be appropriate, but both the internal and external threats to the public sector are more significant and hit at the core functions of an agency. Labor and management leaders who decide to approach these fundamental problems in a cooperative way are well served to think carefully about the nature of their industry in the

1 Ohio state law gives local boards of education final authority on hiring and firing decisions.
long term. They might consider: who the competition is, what the policy and demographic trends are, and whether the union and management have both the capacity and the will to deal with or influence these changes and issues (see Chapter 1, Appendix 1: A Model Process for Building a Strong, Durable, Union-Management-Led, High Performance Workplace).

State of the Industry

The first step in considering a cooperative approach to looming challenges is to identify and analyze the nature of the “industry” to which the agency belongs. Is the agency part of the health care or social services industry? Water or infrastructure? Once the agency is located in an identifiable industry, consider the economic, technological, political and social forces that are affecting the long-term prospects of the agency. Are there existing demographic projections about the future need for this service? What is the nature of competition for the work? Which private companies are interested in this work? Who owns these companies? Are these companies currently involved in delivering this public service elsewhere? How did they win that work? What are the respective market shares of each group working in the industry? Is the private sector share of the industry unionized? What is the union density? Is the public sector share densely unionized? How are trends in trade and service delivery around the world affecting this industry?

The leadership for both the union and management should also consider technological trends in the sector, directions in public policy and movements in the labor market. Technological changes including advances in hardware and the way in which these developments change work processes and citizen expectations. For example, because people can now bank around the clock, they expect to obtain fishing and driving licenses around the clock. Public policy will also shape the nature of services and determine who gets the service and how the service or program will be supported. Finally, there are concerns about age, supply and skill of people performing the service. Retaining and maintaining employees is a very significant concern in almost any part of public service. It is heightened by the fact that many workers currently in the public service are near retirement and by lower retention in specific positions (teachers and social workers for example).1

It is also important to evaluate the political dynamics in the political jurisdiction. Did the mayor run on a platform of lowering costs? Is he/she committed to doing that through lowering pensions? Freezing wages? Privatization? Or more efficient government services? Did the union president win on a platform of staving off changes to the way work is done in an agency? The ability of a change initiative to be effective will be affected by the answers to these questions.

Public water and wastewater services

In response to a proposal to privatize water services in Phoenix, Arizona, the Water Services Department and AFSCME 2384 formed a partnership to improve efficiency in water production and wastewater treatment plants in 1996. The primary goal of the initiative was to enhance efficiency while maintaining quality service and keeping water rates low. To bolster the partnership, management promised that any job reductions resulting from organizational changes would be achieved either through attrition or by transferring employees to other positions in city government. In addition, the partnership established new skills and developed a new career ladder, with management providing the training necessary for employees to do the new work. Within five years of starting the labor-management initiative, this initiative saved $77 million in costs.

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Public education

Public school systems have been under pressure to improve for decades, and nowhere is the pressure more intense than in low performing urban schools. In 1999, the ABC School District and the ABC Federation of Teachers in Cerritos, California, established the South-Side Schools Reading Collaborative to raise student achievement in six schools. Within the first three years, test scores for sixth graders had risen 39 to 53 percent, and three of the schools received the governor’s Performance Award for demonstrated growth in reading. Together, labor and management sponsor a peer assistance and support system, a program linking businesses with specific schools to enhance resources, professional development and a special incentive program for current teachers to recruit new teachers to the school district.4

In both of these cases, union and management leadership realized that if they themselves did not change their operation and improve services, some other entity—a private company, elected official or advocacy group—would intervene. They understood that taking control of the crisis facing them would allow both the union and management to shape the direction of the change and limit potential harm that outside agents could do to the institutions and individual employees. The motto of those encountering change is “the best way to predict the future is to create it.”

Evaluating Organizational Interest

An analysis of the union’s and employer’s institutional self interest should ultimately determine the usefulness of labor-management cooperation in particular cases. This evaluation must begin by identifying the tasks the institution must accomplish if a labor-management initiative is to be sustained. The analysis should also identify the needs of the organization’s constituency.

For the Union:

In considering a labor-management cooperative effort, a union’s fundamental concern is whether the arrangement is likely to generate increased employment security and strengthen the union as an organization.5 Employment security is always a core concern. For example, employment security may mean finding new or different work within an agency or comparable work environment, agreeing to get adequate training for new duties, effecting possible staff reductions through attrition, etc. Employment security is broader than job security, since job security refers to one particular job as opposed to continued employment with the agency. The impact on the union as an institution, in terms of membership strength and workplace credibility, must be examined. For unions considering a partnership:

• Will this provide a new opportunity to involve “fair share” members? Younger workers? Professional workers?
• Can we organize currently unorganized members?
• Can we engage more people in union activities if the union is also focused on improved work processes in the agency?
• Will the union have more influence over the direction of the agency?
• Will new skills learned by members as they participate in work redesign discussions improve the functioning of our union?
• Are there pockets of resistance among our membership? What are their concerns? What will it take to get their support? Their neutrality?
• How will involvement build union credibility with internal stakeholders? External stakeholders?
• What level of involvement with decision making is best for the union?

For the union, questions to frame an evaluation of the impact of a partnership on members include:

• Will this effort increase the likelihood of members retaining employment?
• Will this effort create new jobs?
• Will participation offer members experiences or resources that they value?
• Will the training help members find different employment or opportunities for advancement, if they desired them?
• Will this initiative allow members to create new relationships with internal stakeholders? External stakeholders?
• Will it give our members more control over their work?
• How will internal conflicts during the change process be dealt with?

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4 For information on these and other initiatives see www.pslmc.org.
For Management
In evaluating the potential of a labor-management cooperative effort, management should consider:

- Can I get the critical mass of buy-in that I need to change the organization without support from the union?
- Will the bargaining unit employees share their ideas without the knowledge that the union supports the effort and will advocate for them?
- Will the bargaining unit employees feel the changes are fair without the support of the union?
- Can the union help bargaining unit members understand the need for change?
- How will involving the union impact the ability (and willingness) of middle managers and frontline supervisors to lead change?
- How will elected officials feel if I involve the union? If I don’t?
- Will involving the union bring new resources? Technical assistance from the international union with whom it is affiliated? Support from elected officials? Support from the community?
- Since the union is being asked to play a different role and take more time “managing” the change process, what training and release time should be provided? What will happen if release time and training are not provided?

Issues to evaluate when considering the impact on management personnel:

- How will this effort impact their employment security? If change initiatives result in fewer managers, how will I deal with managers who are no longer needed?
- What will the new role of the frontline supervisor be in an empowered workforce? Will there be frontline supervisors?
- How will the change process be communicated to managers? What role will they play in communication?
- What new skills will managers need? How will the training be provided?
- How can I ensure that managers are not undermining the change process?
- What incentives do managers need in order to change?
- How will conflict be resolved?

In an empowered workforce, what will the new role of the frontline supervisor be?

“Hey, can I get back to you? I think the restructuring has begun.”
Rules of Engagement: What are Labor and Management Likely to Encounter?

Labor-management cooperation, even when it is only aimed at improving employee relations, involves managing change. The first reaction of most people facing change is resistance, especially when they feel the change is being done to them. Union and management leadership can help manage these concerns, however, if they bear in mind the following points:

• A union is a political organization. Its leaders are elected, so they must be responsive to the apprehensions, perceptions and needs of their members. This does not mean a union leader should resist the change. It means that the union leader cannot ignore how the change is played out and its impact on all union members.

• Especially in the public sector, all managers are middle managers. They may look and act like the boss but ultimately they report to elected leadership. The manager must be able to show why a decision is beneficial to the elected leader and his/her constituency.

• There must be measurable results. No sane person would go through a change process if no important outcomes could result. This need to produce outcomes explains why new initiatives often start small and with relatively easy projects.

• The union has to be willing to trade job and work rule stability for employment security. While specific conditions and regulations will not stay the same, a new process can be implemented in a way that meets honored union principles and values and reaches the fundamental goals of maintaining good pay, benefits and working conditions.

• Management must be willing to empower workers and share decision making. If unions are taking more responsibility; they also should share in the glory. This too may take place in an incremental way.

• The union cannot only be reactive to management’s initiatives. The union leader has to become knowledgeable about the industry and the opportunities and threats facing it. The union needs to identify new ways of dealing with old problems. Union members and international union staff can be great sources of new ideas. Whenever possible, union leaders and staff members should join the same professional organizations and industry associations that managers belong to. They should go to national meetings and learn what managers learn about technology and other factors affecting the industry.

• Both union and management leaders have to commit to continuous learning of new skills in conflict management and communication among themselves and with a variety of constituencies.

• Both labor and management must re-evaluate their own perceptions of the community and work in a coordinated fashion to involve the community.

• Both labor and management must anticipate political problems caused by their new roles in joint decision making and decide how these problems will be confronted.

Pragmatic questions that both sides must answer when considering a partnership relationship

• What organizational goals will a labor-management cooperative effort help us achieve?

• What degree of labor-management cooperation is necessary to achieve our organizational goals? Are there other indirect benefits to working with the other party?

• Each level of decision making requires a different level of self-education, if we are to play a meaningful role in the process. What resources are required for both parties to participate effectively in the labor-management cooperative effort?

• What are the concerns about these areas for each side? What will each side do to see that its concerns are addressed?

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• How much time will union and management representatives need on a weekly basis to prepare and plan to participate in decision making?
• What are the risks of not using this approach?

Succeeding at labor-management cooperation, especially at the partnership level, requires a new set of skills and the investment of significant time by management and the union. Too often managers and union leaders start a partnership effort to avert a major crisis without realizing that the goals of the partnership can not be achieved without an investment of time, attention and resources. It is often better NOT to undertake a labor-management initiative at all than to begin with too few investments and a weak commitment, because such an approach to the initiative is so likely to fail.
Leadership Demands in Labor-Management Partnerships

“Great necessities call forth great leaders”

—Abigail Adams

Management and union leaders sometimes cooperate because working together is likely to benefit both parties. More frequently, however, they cooperate because not doing so will harm the union, the enterprise and ultimately the community. The stakes are high and working together requires rethinking traditional roles and ways of doing business. Leadership in this process is crucial to the success of any labor-management cooperative partnership.

The process of leading union members and management personnel through change requires energy, vision, flexibility and a high tolerance for mistakes. It is not for the timid or for those who resist personal reflection, and it is certainly not for people in search of an easy resolution to a crisis. It is hard work that requires many new skills, such as conflict resolution, delegation of responsibilities, facilitation of effective meetings, and, most important, listening. Leading the process of change is difficult because everyone involved—managers, union members, first-line supervisors—is traveling uncharted waters.

What do you want to Accomplish?

“If you don’t know where you are going, any path will do.”

—Anonymous

To embark on a journey, we first need a clear idea of where we want to go. It is important that both labor and management leaders have a joint view of the desired result of their initiative. What are the measurable outcomes and future states? Which stakeholders will be affected and how? Will this effort create greater capacity and greater responsiveness to citizens? Will it lead to using resources more efficiently and effectively, more security for union members? The answers to these questions are important if we are going to move forward.

Suggestions for union leaders facing changes:

1. **Draw up a strategic plan for the union**, attaching equal weight to the objectives of the plan and the process by which it is established. This process should include the local’s leaders views and input from the membership. The plan itself should be rooted in an understanding of the forces affecting the industry, including the needs of citizens, financial resources, competition, and public support. The objectives of the plan should reflect the aspirations of the union and its members. You will want to consider where the organization wants to be in terms of member-
ship and contract provisions in the near future. In the longer term? Discuss how working with management in the context of the forces pressuring the industry helps the union achieve its goals. Consensus on these issues helps clarify the rationale for participation and consolidates member support.1 (See Chapter 2, Appendix 1: Strategic Planning Guide).

2. Evaluate programs and results of joint work based on their contribution to the goals of the strategic plan for the union. If these results do not further the union’s interests, your work in the alliance with management has gone off track.

3. Stay focused. We have found that conversations with management should concentrate on issues, not personalities. Management should also address concerns and refrain from personality attacks. We have seen many times that disagreements and critical dialogues are easier to manage if we keep the focus on the issues.

4. Be flexible when assessing achievements. We try not to count “wins” for management versus “wins” for the union. The test of success is whether the program is meeting the union’s goals. We have often found that the solution to a problem may be beneficial to both parties, even when it does not produce precisely equal results for both of them.

5. Try to be objective. Often, we have a harder time analyzing a problem and resolving it when we take things personally. In the end, it seems that most people act on their own perceptions, experiences, and fears, not in response to us, and it can be helpful to bear this in mind.

6. Delegate. Labor-management cooperative efforts involve a great deal of new work. Insist that members become involved and this will secure greater buy-in from union leaders and members.

7. Use the partnership to increase the number and representation of people in the local union. Because not every one wishes to be a steward, these partnerships provide another way for people to participate in union activities.

8. Ensure that the people representing the union on a committee or other partnership activity truly represent the larger interests of the union over and above their individual interests or those of their workgroup. A short orientation about the union’s strategic plan can provide the union’s rationale for participating with management and help guide the union representative. Ground rules and governing documents should be shared with all who represent the union in the partnership.

9. Ensure that union representatives are adequately trained to participate in meetings as equals with management. The skills required in a partnership are different from those involved in union advocacy, and the members involved directly may need to learn more about the industry. In partnerships, we have been asked to represent our unions in complex discussions about our sectors and to think about our unions’ future roles. It became important to learn about industry trends, and we often received support from our international unions in studying these trends.

10. Insist on goals and measurement. This is the best way to know whether goals are being met and whether the labor-management initiative is effective.

11. Communicate with members. This is often the weakest link of any partnership. Maintaining contact with the membership is important so that workers are informed and can provide new ideas. The labor-management cooperative process is likely to be new to members, so talking and listening allows them to ask questions and share information before problems arise. If a bargaining unit is large and/or dispersed, set up a communications team so the information process is fast and less onerous.

12. Tell the truth. Always. To everyone. Most people are not good liars and a workplace is a small universe. The truth about most issues will be known eventually anyway, and deception will destroy a leader’s credibility. We have also found that communicating the risks and the opportunities of each situation accurately is important.

13. No surprises. Always provide the rationale to the principal management leader, explaining what will happen and why it is being done, before there are unintended consequences. This communication helps maintain trust. It is also useful to recognize that management will have to react in order to maintain its own legitimacy.

14. Don’t bluff. Management is likely to know the actual strength and weakness of the union and a leader. If you threaten an action the union cannot deliver, you risk losing credibility.

15. Share success with the union membership and with management. It is not enough to mention informally the

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important members of management who contributed to success. Specific mention of these contributors should be included in presentations, press conferences and speaking engagements. In a partnership, credit for achievement and responsibility for error should be shared.

16. **Admit mistakes.** In doing something new, they will occur. In our experience, admitting a mistake and then finding a solution to a problem gave us increased credibility, both with members and with management.

17. **Keep in mind that labor-management cooperation is no substitute for union power.** We advise against participating in a partnership with management if the union cannot participate as an equal.

For additional considerations on this topic, see Chapter 2, Appendix 2: Checklist 1. Local 1199E-D.C. Principles And Values: A Checklist for Evaluating Change.

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**FOR MANAGEMENT LEADERS**

**Management Leader During Change: Who is Running the Shop?**

“What kind of Mickey Mouse operation are we getting into here?”

—Angry Disney World executive to representatives of a troubled airline with which Disney had recently entered into an agreement.

When you, as a CEO, take an organization through change by participating in a labor-management initiative, almost inevitably middle managers will perceive a loss of personal power. Although union members also have to change in a partnership, they will have more influence in the day-to-day operation if the change is
effective. This difference in reality and perception occurs because the partnership reaches the organization’s goals by tapping employees’ ideas and giving bargaining unit members greater responsibility for the work process and/or product. Middle managers, in contrast, will have less ability to tell their employees what to do. Although this initiative will give them more interesting work and produce better products, middle managers tend to feel that they are losing power. As a result, they may undermine the effort in subtle ways—publicly agreeing and privately delaying, being unenthusiastic, or sabotaging the effort.

So, as a CEO leading a change process, you must be especially vigilant and sensitive to the behavior and concerns of management.

Here are some key steps that contribute to success:

1. **Share the vision.** In concrete terms, it is helpful to explain to all employees why the approach you have chosen is necessary and what is expected as the result.

2. **Identify what is to be gained for every level of the organization.** You will want to continually monitor how the change is affecting the outcome for the organization as a whole and for different levels within the organization. Measure the impact. Communicate the impact.

3. **Evaluate everyone’s skills, including your own and those of managers, and ensure that everyone is adequately trained.** This work requires new skills not only in conflict resolution but also in coaching and influencing others. If the initiative is correctly approached, your managers will gain increased skills and capacity.

4. **Listen.** As CEO you will have to listen carefully to the concerns and the consequences of managers’ behavior. Many management personnel are accustomed to telling their bosses “what the boss wants to hear,” but this is not the information you need in a partnership. It may facilitate communication if you take a walk around the office or agency and talk to people—find out what they think. Demand objective data. An employee survey by an outside firm may helpful.

5. **Take seriously all feedback from the union about management.** Although the behavior of management may not be intended to undermine the program, it may have that effect on the bargaining unit employees.

6. **As CEO, you will want to model the behavior you wish to see.** The leader and top manager has the heaviest responsibility to walk the talk.

7. **Admit mistakes.** When a leader makes a mistake, everyone will know it, but we have seen how you can diminish the harm by acknowledging the mistake and quickly taking steps to remedy it.

8. **Communicate with staff.** This is a new process and people want to know how it is progressing through your eyes. Our experience shows that when a regular communication plan is established, over time, employees are more likely to provide feedback.

9. **Share the glory with the union, if the union is expected to share the pain.** This does not diminish the publicity that a CEO or an elected official will get for good work. Sharing the glory reinforces the idea that the organization is a partnership.

10. **Think about new roles for managers and frontline supervisors.** In a partnership, their roles will change, and they will be less resistant to that change if they feel that the process will not cost them their jobs. For example, you might show how some managers can become trainers, facilitators, developers of a new service, or managers of a new activity.

11. **Don’t surprise the union.** Telling the union of an action that is about to take place and giving members and leaders the opportunity to ask questions and make suggestions is different from relinquishing the power to act. While as CEO, you must still execute your responsibilities as a manager, you can lessen the likelihood of unintended consequences and destructive reactions by being candid about your intentions. At the same time, you will need to recognize that the union is going to have to react in order to maintain its own legitimacy.

12. **Remember that whatever happens, it is not personal.** Keep the dialogue on issues and problems and off personalities. Problems can be solved; people cannot be “fixed”.

13. **Recognize that your perspective as a CEO is different from that of a union leader.** While a great deal of interpersonal skill is required to be an effective leader and manager, a CEO is not elected by management and supervisory personnel. A union leader, in contrast, is elected by his/her constituency. Be sensitive to this difference in positions and to the fact that union leaders often have the legal responsibility to represent all bargaining unit employees in the same way. They must investigate every concern raised by every member to a “reasonable” extent (Case law and union lawyers usually determine what is reasonable, and their advice may not always conform to a manager’s notion of common sense). Further, union leaders operate in a different universe of resources. In our experience, taking these facts into account may help in understanding the dynamics of a labor-management cooperative relationship. Just as management would not expect a professional association to contribute to the work
of your enterprise, international unions will rarely see it as their responsibility to contribute to the efficiency of another operation.

14. **Be open in sharing information with the union.** We have found that given the same information, most reasonable people come to similar conclusions. Union leaders need information in order to make good decisions. By being open and insisting that other management staff are as well, top management gains credibility. The union may look at information in a different way, and may suggest a new solution to a problem. In difficult budget times such as these, the union can be a critical ally.

15. **Find a peer to share experiences with.** One of the hardest things a top manager has to face is the inability to talk with an equal about his/her frustrations and problems. Often neutral facilitators and/or staff and colleagues in professional organizations can be helpful and supportive as this new and difficult process advances.

16. **Model problem-solving behavior.** Assigning blame, stalling, passing the buck are bad behaviors in creating and leading change. Managers need to learn that this behavior is not acceptable.

In many ways, being effective as a manager in a partnership comes down to following the tenets of effective management. In the change process, however, the consequences of not following the principles can be especially serious.

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**Staying Legitimate as a Leader**

**Involvement.** A successful change process produces a workplace where the majority of employees are realizing their potential at meaningful work. In this workplace, many of the employees are involved in partnership activities. Finding and expanding involvement for as many people as possible is one key to success. If employees are part of the process, they take responsibility for it and may one day help find solutions to problems that have long faced both the union and management.

**Communication.** Management and union leaders together should develop a joint communications strategy, complementing their own organizational strategy. Since people retrieve information in a variety of ways, different venues should be used. The decisions made at each meeting should be communicated in brief, bulleted points. Group emails should chronicle progress and be used to solicit input. Large, “all-hands” meetings, led by both the union and management should take place at regular intervals. Top lead-
ership, stewards, managers, and team leaders should regularly solicit feedback from members. This feedback should be shared with the leadership of both the union and management. There should also be a newsletter. Some agencies and some unions have started a hotline as a means of dealing with rumors immediately.

**Rewarding equitably.** Rewards come in many forms: recognition, improved status, access to greater resources and pay. It is important that management and union leaders share recognition with both internal and external stakeholders. Financial incentives should be distributed in an equitable manner within the bargaining unit, within management and across bargaining unit lines. Without an equitable system, people feel less reason to be involved in the future. Moreover, if rewards are inequitable, employees will feel that some people are thought to be more important than others. The chapter on pay for performance describes some approaches that agencies and unions have pursued.

**BOTH SIDES: Support Your Partner**

_The secret to successful labor-management initiatives is: “Having the confidence to empower employees and the ego to not worry who takes the credit.”_ —William Denihan, Cuyahoga County Department of Human Services Director, February 2001.

In working collaboratively, we have seen how each labor or management partner needs to support his or her counterpart. While this approach may seem contradictory in a traditional collective bargaining arrangement, over time, our experience has shown that it is essential to the success of a labor-management cooperative effort. Mutual support assumes importance because in a partnership both sides share the same goals.

There are many ways for mutual support to be effective and meaningful. For example, letting a union president know prior to imposing discipline, or letting a manager know the reasoning behind a grievance, allows him/her to confront the situation with grace. If an individual is facing an internal crisis, it is often possible to find ways to help. In particular, each side should respect the other's need for distance at times. Each leader has constituents, competitors or superiors who may not be comfortable working in a partnership. Even when both sides are in conflict, it helps to find the means that allow a leader (especially the top leader) to save face or that gives him/her a graceful exit strategy. Doing this makes it possible for a person to maintain respect and dignity and focus on the issue at hand.

**As long as the partnership is active, support it publicly.** The process is hard enough; undermining it is not in anyone's interest.

**Keep the partnership independent of other areas of conflict.** Leaving the relationship should only occur if the effort itself is not meeting the goals of the union or of management. Holding the partnership hostage to the resolution of outside issues sabotages your efforts.

**Tell the truth to each other.** Responsible partnering requires candor on both sides, whether the facts be good or bad.

**Communicate with each other verbally on a regular basis.** Given their extremely busy schedules, some union and management leaders must set a weekly schedule for a face-to-face conversation. It is important that both management and the union keep each other updated on events and maintain a regular opportunity for problem solving. In addition, it might be useful to establish a set of ground rules for communication. For example, partners may agree to call directly only when there is a very important issue at hand and save updating or less important issues for a face-to-face meeting. Depending on individual preferences, email may or may not be a good communications strategy. We have observed that you should check before relying on it.

**Develop a joint stakeholder communications strategy.** There will be more weight given to communications that come from both the union and management. It is important to share major decisions promptly and accurately. Use of print media, “all hands” meetings, department meetings, and email can reinforce the information and themes that may be shared.

**Find opportunities for joint learning.** These may take many forms: site visits to organizations with
a promising strategy or positive results, professional conferences where labor-management cooperation or innovations in your industry are discussed, courses or special programs at universities. For instance, in the water industry the professional conferences of National Association of Clean Water Agencies, Association of Metropolitan Water Agencies, American Water Works Association and the Water Environment Federation could be helpful. In education, the National School Board Association conference represents an opportunity for joint participation. The American Federation of Teachers sponsors a joint labor-management conference, QuEST, for educators and administrators every two years. The Kennedy School of Government often provides special seminars for elected officials on labor-management cooperation and on special topics. The Federal Mediation and Conciliation Services holds a conference on labor-management cooperation biannually.
Successful labor-management partnerships require a strategic plan centered around three key ingredients:

• Vision of, or aspiration to, a different future;
• Internal capacity to produce that future;
• Stakeholder support both inside and outside the organization.

Most labor-management relationships do not have all the aspects of each of these ingredients, but we believe that most of them are needed to sustain an effective partnership over time (See Chapter 3, Appendix 1: Key Elements of Strong Labor-Management Partnerships).

Vision

“You must be the change you wish to see in the world.”
—Mahatma Mohandas Gandhi

A vision articulates the desired outcomes of your labor-management cooperative initiative, and should encompass the interests of each of the stakeholders. Your goals may include, for example, improving the quality of public services, maximizing the value that an agency creates for citizens, providing a high quality work environment for employees and/or improving employment security.

One of the most effective ways to clarify the respective goals of the union and of management is for each to develop its own strategic plan for the organization separately. As a first step, the two parties should formulate their vision in the broad terms of a desired “future state.” For unions this state probably includes improving job quality, strengthening the union, and/or increasing membership. For management, the vision might be avoiding privatization, improving test scores, lowering costs, increasing efficiency, reducing staff turnover and delivering higher quality service, all of which will bring stability to the agency as a whole.

With their own strategic plans in hand, the partners are ready to engage in a joint strategic planning process regarding shared goals. Partnerships are appropriate when the goals of management and the goals of the union overlap and when each side realizes that achieving the other’s goals will positively affect its own. The union may see that it can achieve employment security by achieving the agency’s goals of higher test scores or better water quality. Management may understand that achieving its goals depends on a strong union representing well-compensated employees able to provide training to members. Under circumstances like these, management and the union need each other for success.

1 Based on worksheets developed for KSG Labor-Management Programs by Linda Kaboolian and Marcia Calicchia.
Often, this mutual acceptance of interdependence carries everyone through difficult times.

As an illustration of this principle, the Louisville Water Company and the American Federation of State, County and Municipal Employees (AFSCME), Local 1683, have used strategic planning in many effective ways. The AFSCME local and the water company engaged in mutual gains bargaining and initiated a Partnership Agreement in an effort to forestall the privatization of water services in 1995. The union began its own strategic planning process facilitated by the University of Louisville. In February 1997, management and the union chartered a new labor-management team to oversee the implementation of joint strategic plan and partnership agreement. The team decided to implement six goals:

- building a partnership for total quality;
- building trust among stakeholders;
- maintaining a competitive workforce;
- increasing employee participation;
- improving customer satisfaction;
- expanding the union’s membership.

Since then, the results have been remarkable: $3 million saved on service contracts, 23 percent increase in union membership (from 183 to 225) less work contracted out, nearly $1.5 million saved in capital construction by in-house bidding and construction (see www.pslmc.org; Louisville, Kentucky).

A shared definition of how you want the labor-management relationship to operate is an important part of your Vision. The outcomes you are working for will be affected by the process used to achieve them. Will one party have to take the lead or will partners share responsibility equally? Will there be open access to information and new ideas? What decision making process will be used? How will line employees participate in the decision making process? Who will get the credit for success or the blame for failure? How will progress be shared with internal and external stakeholders? How will the necessary support be built within stakeholder groups?

The resilience of the partners’ relationship depends on the degree to which labor and management have shared goals and authority in the process. The stability of the relationship also requires that each party have access to information and that each feels ownership and responsibility for the outcomes of the joint endeavor.

In addition, it is important to share with each organization’s internal stakeholders (i.e. bargaining unit members, middle managers and supervisors) and
external stakeholders (elected and appointed officials, active community groups, business, etc.) the joint vision and the ways in which the operating principles of the labor-management initiative support that vision.

Finally, it is important for all to realize that this is a long-term effort, and it will require patience, perseverance and a sense of humor. It is inevitable that complex, multi-stakeholder problems under any circumstances would take time to address, but working together to resolve issues before implementing a solution will virtually always require more patience than a typical top-down approach. Because you have involved people who will execute the process, however, the implementation period should be shorter and smoother. To facilitate the process along the way, sub-dividing goals into smaller projects so that more people can share some success sooner may help satisfy impatience. Participants in labor-management endeavors need to accept that they are embarking on a risky venture and that therefore mistakes, false starts, and backsliding are all likely to occur. We all know that it is important to learn from our mistakes and move on, without assigning too much blame, but in these partnerships this learning is especially valuable. In the end, it is the results defined in the initial vision that matter and, with perseverance, together we can bring them about.

Authorization

“I'm not going to have the monkeys running the zoo.”
—Former Eastern Airlines president Frank Borman speaking about participative management

When we use the term “authorization,” we are referring to the degree of support that the labor-management partnership enjoys from its internal and external constituents. This level of buy-in is an essential measure because, without at least thirty percent support from key constituencies, it is very difficult to make needed changes in the organization.

Internal Stakeholders

“Force, no matter how concealed, begets resistance.”
—Lakota Indian

The support of union members and leaders, and among managers and frontline supervisors, is especially critical, although it is unlikely that there will be immediate buy-in from many people initially. Employees will have to be convinced that change is needed, that they have a voice in the change and that the agreed-upon process makes sense. Most people are more inclined to support an initiative when they see positive steps taken by top management and union leadership, when they feel heard, and when they see early signs of success.

It is also important to nurture support over time, and this can be done in a number of ways. You might issue regular updates on the progress of various projects, or schedule annual events to distribute awards. Some partnerships guarantee that continuous training to update skills takes place and that a variety of people are exposed to best practices in the industry. Still others institute an orientation process to ensure that new employees understand the partnership. Finally, in some joint efforts, all employees are kept up to date on industry trends in both the private and the public sector.

Monitoring the problem-solving capacity of labor and management in the partnership is also necessary. Early detection of friction and investigation can save many hours of frustration later on. Consistent follow-through on assigned tasks, or at the very least, a progress report on them, also shows that both sides take the partnership seriously.

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3 One of the benefits to the union is being involved in the conceptual stage instead of the impact stage of a new management initiative. See Elaine Bernand, “Technological Change, Organizational Change and Skills Development,” presentation to OCSEA/AFSCME, April, 1997.

4 Susan Schurman, presentation at the High Performance Workplace Leadership Academy, Spring, 1996.
External Stakeholders

“No more mistakes and you’re through.”
—John Cleese

Because we are dealing with the public sector in forming partnerships, elected officials, community leaders and citizens are important. Managers, after all, are ultimately accountable to elected leaders. Consequently, it is critical to the success of the partnership that elected officials are regularly informed of the progress and/or problems in the initiative, and that these officials are included in positive press and other public relations events. It is also important to remember that unions traditionally have a different relationship with elected officials than managers do. While it is true the union members work for elected officials, it is also true that many of these officials are dependent on union support to get elected. Unions may therefore be able to leverage or discuss issues with elected officials that senior managers often cannot.

Because they are also citizens who receive public services, as well as neighbors and colleagues, both union members and managers have a variety of relationships with the community. It is important to use these relationships to identify and include people who are representative of the community as a whole in the work of the agency and in the labor-management initiative. For example, Louisville Water Company includes community members in its strategic planning process. Other utilities have community advisory boards or involve community members in the planning of major infrastructure projects that affect a neighborhood. School districts often include business and financial leaders on committees because students are likely to find employment with them when they graduate.

Finally, we advise you to seek regular feedback on the quality and cost of services and make use of it in your partnership. The Springfield, Ohio Police Department does this through an annual community survey about its services, conducted by Wright State University. Currently, virtually all water utilities provide the public with a chance to give feedback through the utilities’ websites.

If you include community leaders as part of your planning process, it is advisable to seek continual feedback and provide regular progress reports on the agency’s work and the labor-management results of labor-management initiatives. Involving the community in your labor-management initiative makes it much more likely to secure the support you may need to pass a bond issue or a rate increase. The community will also help support the partnership and give direction when selecting a new school superintendent or elected official.

The ABC Unified School District is a small urban school district on the southeast edge of Los Angeles County. In the early ‘90s, ABC was a school district with budget problems, labor strife and transient leadership. In the mid ‘90s, after the union and school board members participated in an Executive Program at Kennedy School of Government on labor-management cooperation in education, they decided that, through working together, the achievement disparity between affluent and poor children could be improved. Consequently the ABC Board of Education hired a superintendent who would work to improve labor-management relations. Ron Barnes and AFT Local 2317 President Laura Rico have developed guiding principles for improving student achievement in the District and creating an environment of trust and respect.5

Measurement6

“The truth will set you free, but first it will really tick you off.”
—Anonymous

Measuring progress is one of the best ways to judge whether your labor-management partnership is successful. In addition, measurement of specific impacts

5 See www.pslmc.org for more information about the ABC Unified School District and AFT Local 2317.
provides you with effective messages to communicate to your internal and your external stakeholders. Therefore, at the outset of the project, we advise you to define jointly the indicators you will measure and the principles that guide the measurement process.

Focus on measures that stakeholders care about.7 For example, most citizens do not care very much about the number of calls answered and the number of bills processed. They do care about the time it takes to get a response to a service request, about test scores and graduation rates, about water rates, water quality and the number of kids who die as a result of abuse. Types of measurement may include: reduction in injuries, decrease in hours to complete a task, reduction in absenteeism, dollars saved, increase in trash collected/recycled, decrease in backlog, decrease in toxin levels, average wage for full time job placement, and fewer child deaths (Chapter 3, Appendix 2: Measurement Resources).

When developing a set of measures it is important to bear in mind that measures have a political dimension and should be supported by elected officials, top managers and union leaders. In particular, managers and union members need to understand that data collected will be used to assess the progress of the work and identify areas of improvement for the project as a whole and will not be “used” against them. Just as you should involve the end user, or citizen, in identifying the project’s goals, you will want to seek the input of those doing the work of the project when identifying measures. It is important to have a balance of measures so that one particular aspect of the work is not over or under-emphasized. Techniques such as the Balanced Scorecard can help.8 Finally, consider any unintended consequence of a specific measure.

Chapter 3

Measuring progress is one of the best ways to judge whether your labor-management partnership is successful.

“O.K., I messed up. He didn’t have to rub my nose in it.”

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7 Dr. Paul Thomas argues that public sector programs serve multiple constituencies and have many (even conflicting) goals. See Paul Thomas, Performance Measurement, Reporting and Accountability: Recent Trends and Future Directions, Public Policy Paper 23, University of Regina, February, 2004. He says that if promoting public support and understanding of a program is important, gather evidence of the dimensions of performance about which people really care.

Ideal Performance Indicators

**Consistency:** The definitions used to produce the indicators should be consistent over time and between units.

**Comparability:** Units should be consistent; measures should only compare “like” with “like.”

**Clarity:** Performance indices should be simple, well-defined and easily understood.

**Controllability:** The manager’s performance should only be measured in areas that he or she actually controls.

**Contingency:** Performance is not independent of the environment within which decisions are made. The environment also includes the organizational structure, the management style adopted, and the uncertainty and complexity of the external environment.

**Comprehensiveness:** Indicators should reflect all aspects of behavior that are important to management decision-makers.

**Focus:** Measures should concentrate on a limited number of key indices of performance—those most likely to give the biggest pay-off.

**Relevant:** Many applications require specific performance indicators that are relevant to their unique needs and conditions.

**Feasible:** Are the targets based on unrealistic expectations? Can the targets be reached through reasonable actions?

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Nine Principles of Better Performance Reporting

- Focus on the few critical aspects of performance
- Look forward as well as backward
- Explain key risk considerations
- Explain key capacity considerations
- Explain other factors critical to performance
- Integrate financial and non-financial information
- Provide comparative information
- Present credible information, fairly interpreted
- Disclose the basis of reporting

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For example, a strong emphasis on eliminating waste may result in an overly time-consuming data collection process. From a citizen’s perspective, too great a focus on the cost of a service can diminish service quality to the point that the cost evaluation is not really worth doing.

**Governance**

“Look at those cows and remember that the greatest scientists in the world never discovered how to make grass into milk.”

—Thomas Pupin

In discussing governance, we are examining the internal ability of the agency and the union to support labor-management activities. These initiatives should be governed jointly by the leaders of the union and management. This governance can be structured with different degrees of permanence. Every structure—from standing committees with operating rules written into collective bargaining contracts—to an ad hoc committee meeting may be appropriate. The role played by the governance structure of the initiative should be commensurate with the level of the organization to be changed. If the joint labor-management initiative affects a critical function of the agency—teacher quality, cost of water, efficiency of a social service agency—then top leaders of both the union and of the agency should be directly involved. If the initiative focuses more narrowly on work process redesign, it may be more appropriate for the top leaders of both the union and the agency to charter a working committee of unionized employees and managers who know the work process and ask them to perform an analysis and make recommendations for changes.

Generally, in labor-management partnerships there are two types of committees. One kind of committee creates the joint vision for the work, develops

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11 Sometimes this situation is complicated by the fact that some public sector unions are made up of bargaining unit members who work in a variety of agencies and a president who does not work in the agency itself. This needs to be resolved on a case-by-case basis. Some union presidents will be the key person involved; other unions will choose a special representative who works in the agency to be the lead.
a strategic plan for implementing the joint vision, and addresses major organizational issues. The committee is usually comprised of the agency leader and his/her selected deputies, the union president and other local union officials. Another type of committee is established to actually do the implementation work. This group redesigns the work in a specific area or process, works on solving a major problem (health care costs), or completes a specific project. This “implementation” committee receives its mission and the boundaries of that mission from the overall labor-management committee. It should have a defined lifespan and discrete responsibilities (Chapter 3, Appendix 3: Team Charter. Appendix 4: Work Redesign Considerations).

Committee Membership

Committee members should be chosen in relation to the scope of work of the committee. In general, the people selected should be credible representatives who can make decisions and understand the issues before the committee. Union and management representatives should be matched in status and scope of responsibility in their organizations as much as possible. A school superintendent, police chief, or other leader cannot expect a union president to take committee work seriously unless there is equal and appropriate involvement by each party. If the union president is needed on a committee, then the head of the agency should participate as well. If a great deal of technical work is needed by the parties before decisions can be made, it is appropriate to create working subcommittees so that leadership time is used well. Usually management selects its own members of the labor-management committee and subcommittees, as does the union.

Generally, labor-management committees have between 8 to 20 representatives. Each side selects its own members, and special guests, subject matter experts, and elected officials can be asked as appropriate. Their role should be clearly defined and agreed upon in advance. It may be helpful to rotate members or ask them to serve for a pre-determined length of time. In our experience, defined terms for committee members encourage accountability.

Ground Rules

Rules regulating the work of the committees will be required, and these should be stated in the committees’ charters. If the members are not the top leaders of management and the union, rules specifying how work teams will be chosen, what access to information will be needed, how much financial support will be required and how release time will be determined should be spelled out. Other processes that should be defined are: whom members report to, how decisions will be made and what timelines are possible. It is also helpful to consider how the committee’s work will be integrated into the agency and union(s).

An area of controversy among labor-management practitioners is whether this type of committee work should be formal or informal. In the public sector, every transaction should be transparent. Informal discussions can work to formulate ideas and experiment with new approaches. Because so many people are affected by the actions of union leaders and management, however, it is best to have a clear purpose and transparent transactions. The aims, responsibilities and desired outcomes of a committee should be in writing. This clarity will help maintain support from stakeholders and aid in implementation of the committee’s work.

It is crucial that decisions are made about how business will be done before the committee starts operating. The processes that should be specified include the decision making process (majority vote, consensus, whether substitutes vote), the formulation of meeting agendas, attendance, how guests will be invited, acceptable behavior (including promptness), release time for union participants, and distribution of information about the meeting outside of the committee. Problem-solving mechanisms can also be part of the ground rules.

A special note about committee minutes. There should be written minutes of every meeting that indicate who was in attendance and what decisions were made by the committee. These decisions should be
reviewed and agreed upon at the conclusion of every meeting. Minutes do not have to cover what was said; decisions made are the most important element of a meeting. Minutes should be widely and quickly distributed. Those not in the meeting will be wondering what happened, and distribution of the facts helps create a secure environment for both managers and union members.

Making the Committee and Its Work Successful

Facilitation
Effective committee work requires facilitation. It is especially important at the beginning of collaborative effort to have a neutral, experienced facilitator. A facilitator can keep you on track and help work through issues that may be unclear at the outset. Moreover, a good facilitator is trained to identify those issues that may be most difficult for meeting participants. Neutrality is important because the facilitator has no personal investment in the outcome of the discussion and can therefore help establish a foundation of trust, positive meeting habits and practices for the future.

Universities and the Federal Mediation and Conciliation Services are sources for facilitators. When selecting a facilitator, we advise you to ask for references. Both parties should feel comfortable with the facilitator because if they do not, the facilitator will have a more difficult time being effective.

Training
Training is a must. You are engaging in new activities; you need new skills. In addition, when labor and management go through training together, it helps build a common culture and methodology for your work with each other. Basic topics for training may include the steps to well-run meetings and brainstorming and problem-solving techniques. It is also helpful to have a briefing about the strategic issues facing the agency, industry trends and the financial status of the agency.

Insuring that the Committee Has the Resources It Needs
It will be evident at the outset that a new committee is going to need many different types of resources. The first is a commitment by the employer to provide funds for training and facilitation. Although training and facilitation are necessary ingredients to success, we recognize that it is rare for a local union to have the capacity to contribute significantly to this.

The second resource the committee will need is access to information about work processes and costs. In a traditional labor-management relationship, holding information was one way for a single party to be successful in dealing with the other. However, in this new relationship it is impossible to be successful in redesigning a system without knowing how decisions are made, who actually does what type of work and how much supplies and the existing processes cost.

The third resource required by the committee will be time from both managers and union leaders. Managers will do this work on agency time and it is therefore only fair to give the same time to the union leadership. A reasonable amount of planning time should

Steps in Work Redesign\textsuperscript{12}
- Identify key processes
- Gather the facts
- Define the current state processes
- Analyze the processes for speed, quality, principles and cost
- Define the ideal process
- Analyze the cost/benefit
- Get feedback on new process design

be allocated. (Managers: Remember, if the union is prepared—it will save you face time).

In addition to these basics, as the process matures, the dedication of full time staff for both union and management is a good investment. This kind of delegation allows top leadership on both sides to carry out their normal duties, while the day to day work of the partnership is carried out by others. Staff members included in the process may also be helpful in working out difficulties in relationships within work groups, across functional teams and with others, so that working relationships and processes are nurtured.

**Keeping the Committee Motivated**

Committees should undergo regular evaluation for the efficiency of their internal operations and the decisions that they make. (Outside stakeholders will be evaluated regularly as well) There should be re-examination of goals and objectives in light of external business realities and in light of incoming data and measures. Committees should also be involved in regular retraining and benchmarking. Giving members a specific term also encourages evaluation and facilitates transitions to new members with new ideas.

**Labor Management Work and the Collective Bargaining Agreement**

The extent to which the labor-management committee should be a part of the collective bargaining agreement is an additional issue to consider. In our experience, we have found that it does not have to be a part of the contract, especially at the outset. It may also be the case that the committee may not (especially in the beginning) discuss collective bargaining issues. If these issues arise, they can be referred to the appropriate venue. If the committee is to function over time, however, then it should be part of the collective bargaining agreement. Including the committee and its work in the contract helps the committee live beyond the personalities who created it. The contract language should be broad, however, briefly stating the committee's scope, membership, decision-making capacity and relevant funding mechanism, if any. The wording should be broad enough to allow the committee to function easily and should not be limiting or cover details about every day work.

Example of description of a committee's authority:

"Article 37.02: The Steering Committee may select and hire staff, consultants and service providers by majority vote."13

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13 Collective bargaining agreement between the state of Ohio and OCSEA, AFSCME Local 11, 1997-2000.
Example of language defining collective bargaining and work reorganization:

“Article 21.01: The principles of this Article shall apply in all quality improvement processes utilized in agencies with OCSEA bargaining unit employees. (QSTP) will be jointly developed, implemented and monitored. It is recognized by the parties that QSTP is a separate process from the normal collective bargaining and contract administration procedures.”

14 Ibid.
Communications and Problem-Solving

“Wisdom is the art of knowing what to overlook”
—Marcia Calicchia

We are grouping the topics of communications and problem-solving together because a lack of communication is so often at the root of conflict during organizational change. Unfortunately, it is our experience that in almost every partnership there is a failure to communicate adequately at some level. There is rarely enough clear communication between labor and management themselves, or between these partners and their stakeholders. Inevitably, resistance to plan implementation, low morale and confusion are the result.

One of our strongest recommendations, therefore, is that you invest time in developing good communication skills, if you want to limit the time spent in frustration and conflict resolution. We suggest that you learn to model good communication skills and have an implementation plan to develop them throughout your organization.

Steps to Good Communication

**Step 1: Check your assumptions about the individuals you will be working with at the door.**

If you are leading a transition to a high performance workplace, you yourself will experience a great deal of personal change. You will learn new things about your partners and yourself. Since you are all facing a new environment, it makes sense to suspend your assumptions about your partners and yourself as you work through the transition. You will also need to be patient with yourself and your partners: it is inevitable that at some point one or both partners will fall back into old habits. We have found that it is unwise to make a judgment about ability to trust or commitment to the process in these circumstances.

In addition, throughout this process, it is very important to separate perceptions of personalities from the problem both sides are trying to solve. Focusing on issues rather than on people leads to more constructive and consensual approaches. We have seen that it is much easier to solve problems than it is to fix people.

At the outset, or in especially difficult circumstances, it is helpful to remember that you can trust the problem-solving methods you have developed together, even if you are uncomfortable trusting the people involved.

We recognize, however, that a focus on issues is often hard to sustain when personality conflicts surface. Experienced labor bargainers and managers know how to use their personal power—their voices, their constituencies, their body stances to convey a message, and for them, this behavior is second nature. In both unions and in management, many of us have built careers based on power relations, and it is very difficult to change to problem-solving methods and an approach based on interests and facts. It is particularly difficult to change modes of operation when the labor and management relationship has its own colorful history.

**Step 2: Embrace assumptions behind the problem-solving technique.**

There are two fundamental assumptions about problem-solving:

1. There is no one solution to any problem.
2. The best solution will emerge from a discussion that includes many viewpoints.

The steps in the problem-solving process are designed to elicit the best ideas and information that people have. This approach encourages a process in which the problem is defined and the solution is decided by all the parties. After examining all sides of the problem, a solution should evolve that, at best, meets the needs of all parties or, at a minimum, represents a compromise that all parties can accept. This problem-solving process is designed so the result is not zero-sum, and there are neither winners nor losers.

Step 3: Communicating.

“The partnership carries the intention to balance between ourselves and those around us.”
—Peter Block

As busy managers and union leaders, it is important that your interactions with others are efficient. You want people to hear your message and you need to hear their opinions as well. There are five key points to good communication:

1. Focus on the issue, not on the people or personalities;
2. Treat the other person with respect and dignity under all circumstances (it will haunt you if you don’t);
3. Actively listen to others’ words, concerns and views and try to see the issues from their perspective;

• Do not blame—this stops the problem-solving process;
• Do not ask others to lose; find ways to let them “save face.”

As you talk with people, you are learning about the interests behind the position they are taking. Your goal in communication is to find a way to address the interests of others as you solve the problem at hand. In this process use active listening techniques: “listen, respond, and question.” Give the person your undivided attention and listen to all that is being said (It is important not to just listen for facts or for a point of disagreement).

Our exploration of a situation at the Cuyahoga County Human Services Department in Ohio illustrates a positive approach to problem solving in an extremely serious situation. At the time, the Department was facing a staggering problem that resulted in the deaths of numerous children. According to then-Commissioner William Denihan, negative press about the agency was a weekly event and the crisis was growing. Through labor-management discussions about the problem with the recently-elected AFSCME 1746 President, Pam Brown, a solution was born. Discussions revealed that the hotline—the initial contact point in many serious cases of abuse—was staffed on the basis of seniority, i.e., during the day, the most senior staff answered the hotline. In the evening and on weekends the least senior and least experienced staff members were on duty. Often, however, the more intense calls of distress occur on weekends and in the evening. Understanding the mutual interest of the union and management in helping abused children and the interest of fairness of assignments, a solution was crafted: more senior staff would be assigned to the weekend and evening hotline shift and receive a pay differential.

Honest communication is a good way to deal with resistance to change and create an atmosphere where it is “safe” to express concerns. Honor peoples’ reservations by listening, not discounting, but acknowledging concerns. Explore resistance by asking for specific issues and eliciting preferences; recheck after summing up. Learn what could be done and clarify what support and specific behaviors are expected.

The most important communication you will have with your partners and with your stakeholders is verbal, and as a result, the most successful labor-management partnerships in our studies have instituted weekly meetings. These are sacred times to share mutual problems and concerns, and are rarely re-scheduled or moved because of another “urgent” problem. It is important to have regular verbal discussion with your stakeholders as well. Email and print communication should be used to reinforce important points, not to replace verbal communication.

These processes are time-consuming and demand a great deal of patience, but dealing with issues up front will save a lot of time and strife down the road.

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Communication Problems at Different Stages

Preparing for Launch

We recommend that you consider how you will deal with these issues before you begin:
• Do you really want to hear from people? Be careful about what you ask for; you may be dismayed at the response.
• Do you know when and how you want input? Under what conditions? At what point do you want people to follow directions? Consider this possibility: “democracy in planning, authority in action.”
• Do people understand the context and ground rules for input? Do they understand guidelines for input? Do they know protocols and processes that will be used to carry out ideas?

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4 Ibid.
• Do you know what you will do with the information once you get it? It is better not to ask people for their input, if you are not prepared to be responsible about using it. It may require attaining more resources, confronting people about performance, and so on.
• Are you prepared for the fact that it takes longer to use this methodology than traditional managing? Especially in the beginning, you may have to wade through a series of built-up, tangential issues.
• Do you know how you will sort out the good from the bad input? You need to be clear about the problem-solving process and who will be involved.
• Are you prepared to handle the expectations that are raised when you ask people for their input? If input is not used, it may not be volunteered a second time.

Launching the Initiative

When you begin to ask for people’s input, you may get more than you bargained for (especially when staff members really have not been asked for their opinions before). Listed below are some examples of what can occur:5

• “Dam Breaking Syndrome.” Unleashing a backlog of issues, concerns, complaints and ideas that people want to see addressed immediately;
• “Grievance Dump.” Overload of complaints, problems and accusations;
• “Monday Morning Quarterbacks.” Armchair critics unload criticisms (without having to deal with the complexities of leading);

“I’m always cozy in here. We’re insulated by layers of bureaucracy.”

• “Stone walling.” Resistance to giving opinions and ideas;
• “Backlash.” Fear that input will be used against the contributor.

These reactions are “normal” and leaders should plan for them. Some of them can be prevented by establishing clear roles, responsibilities, structures, boundaries, goals and objectives. It is important to synthesize the feedback from participants once it is received. Sometimes, swift action needs to be taken to win the confidence of the employees; sometimes ground rules need to be developed to increase the comfort level for participation. It is important to reflect and evaluate continuously on how well the processes are working, so that important concerns can be addressed quickly.

Keeping a sense of humor and perspective is important throughout this process. The leadership team has had much more time to process all of these changes. After all, you, as leaders, are in charge of them.

Communication Strategies to Help Your Initiative to Grow

By this point, the people involved have worked through many of their anxieties and the conversation turns to whether there are any results from this work. At this stage, it will be important to:
• Share results of the teams with the entire organization;
• Learn whether the problem-solving, issue-based methods are beginning to be adopted around the organization. Do walk-arounds, show-up at team meetings to observe practices, survey employees through an external party to find out.
• Brag about how some important process problems brought up in the initial phase have been solved. Can these be shared in an employee newsletter?
• Make sure other partnership promoters have been developed? Are middle managers and stewards starting to talk about the initiative positively?
• Monitor the use of new meeting and problem solving processes. Are meeting processes more efficient? Are they more able to define the problem and come to a mutually agreeable solution? Is there a need to establish a system of solving conflicts for workplace problems that are not grievances?

When Communication Breaks Down: Conflict Resolution

There are four ways to approach conflict:
• Avoidance: problems are glossed over; people can withdraw, resentment may build, façade of peace is constructed, relationship can be undermined;
• Reliance on power: it may be difficult to really determine who is more powerful without a destructive contest. Costs in time and resources are high, other party may comply only so long as necessary; revenge may result;
• Reliance on rights/moral superiority: difficult to determine who is correct, does not really contribute to a solution;
• Reliance on interests: focus stays on parties’ real concerns, parties move away from tightly held positions, relationship enhanced, agreement more durable.

Because people have different interests and stakes in the outcome, there will be conflict during change. If good communication techniques have been developed throughout the organization, it is more likely that the issue driving the conflict is real and important to the parties. Getting the problem resolved is very often the key to the success of the initiative.

The way in which the conflict is resolved matters. Conflict can teach you how effective the initiative is.

Conflict resolution techniques applied effectively can enhance relationships, build enthusiasm, encourage shared decision making and contribute to organizational effectiveness. Used properly, conflict resolution can shift a problem of personalities to one where real problems can be solved together and in a manner that meets everyone’s needs. This process requires good listening skills and discipline to adhere to the components of the conflict resolution process (See Chapter 4, Appendix 1: Tips for Communicating When in Conflict).

**Problem Solving Techniques**

Conflict resolution using the method described below is built on the following assumptions:8

- Negotiations can improve the situation;
- There are several possible solutions to satisfy every interest and need;
- Both parties can meet their needs through negotiation;
- Both parties can and should help each other achieve their interests;
- Most often the interests of each party are different, rather than common or conflicting;
- Open discussion will uncover interests and increase options;
- Standards can be found to guide decision making to a successful conclusion.

**Steps in Problem Solving**

There are variations on this process, but these are the essential elements to the problem-solving methodology.9

*Jointly identify the problem you want to address.* As you discuss this, use questions that will generate multiple responses (How is the focus of the problem best described?) and use balanced questions that reflect the dilemma from both parties’ perspective (How can we deploy a new technology that is easy for the employees and provides the agency with

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7 Note: This methodology can also work in interpersonal conflicts. However, interpersonal conflicts are best dealt with in a one-on-one rather than group interaction.


greater efficiency?). Avoid leading questions that suggest a solution or only represent one side of the issue. Use positive wording that indicates what you are for, rather than what you oppose (Ex. “We want a new technology that improves employment security and motivates employees to help make it work”). Use focused questions that will generate specific answers. And make sure you end with a problem statement that is clearly understood by others, whether they are involved or not in the issue at hand.

**Identify the Parties’ Interests (not their positions).** Be specific about needed outcomes. Make sure that everyone understands that these outcomes can be met in a variety of ways. Focus on the future situation rather than bogging down in discussions of the past. It is helpful to have each party identify his/her own interests and prioritize them. Subsequently, the parties should educate each other about their interests. It should be clear which are mutual interests and which are distinct. In this stage, it will be helpful to exchange information concerning the issue and decide if more information should be gathered. It is also helpful to prioritize which interests are most important to each party and to the project as a whole.

**Inventing Options for Possible Solutions.** This process involves a brainstorming session, where all ideas are put on the table without being judged. Ideas should build on one another. Creativity and diversity of thought are valued over finding the silver bullet. Throughout this process you should be thinking about the need for information on costs, and about the efforts that might be taken to solve the problem at hand.

**Develop criteria (based on interests) on which to make a decision.** These standards should be as objective as possible. Time for accomplishment, resources available and measurability are important elements of these standards. Also, we have noted that small incremental improvement goals encourage success, while in contrast, dramatic steps may lead to failure.

**Describe how the plan decided upon will be implemented.** Identify the people responsible for each task; decide how progress will be reported, and agree which measures will be used.

**Evaluate the problem-solving process.** Determine how effectively the process worked and what improvements could be made in the future. Also, agree on which decisions and elements of this process you will report to those outside the process (We have found that everybody will guess and fantasize if you do not tell them).

For a summary of common barriers to labor-management cooperation, see Chapter 4, Appendix 2: Seven Common Barriers To Labor-Management Cooperation.
Pay for performance schemes can be useful in providing incentives for improved functioning and to achieve organizational goals at all employee levels of an organization. Generally, we define “Pay for Performance” (or gain sharing) as programs in which the “enterprise” and the employees share savings or gains achieved by “working smarter” according to a predetermined formula that reflects progress toward productivity. Pay for performance programs can be developed to motivate improvements in individual behavior and are especially helpful in improving and rewarding the performance of work teams. It should be noted that some jurisdictions balance financial goals with quality of service and worker safety.

In this chapter, the essential elements of successful pay for performance incentives, as well as examples in the public water and wastewater sector and education sector, will be described. In every case we describe, the pay for performance system is a result of a labor-management cooperative effort. Different stakeholders have varying perspectives and goals; involving them all in the design and implementation of a plan will increase the likelihood of success and will help maintain support in the face of difficulties in implementation. It should be noted that pay for performance is a concept borrowed from the private sector, and as such, does not always firmly fit with public sector values. Elected officials in particular are sometimes uncomfortable with extra monetary rewards and/or cost savings that accrue to public sector paychecks when, in their opinion, public sector workers are serving the greater good. Because of these reservations, some agencies have met strong resistance when seeking authorization for a pay for performance program. Others have found their pay for performance program upended by auditors who claim that process improvements “should have been made anyway.” As a result, it is crucial that the organizational payoff for such a program be clear and that political support be secure before pay for performance plans are initiated.

Components of a Plan

Governance: Who designs the plan; who implements it?

The optimum governance structure for a pay for performance initiative is a facilitated labor-management committee that engages top leaders from both management and the union. It is sometimes advisable, however, for a labor-management committee to be facilitated by a neutral party. In any case, top leaders

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from management and the union should be engaged. Some may suggest that it is management’s prerogative to design and implement the program, but these initiatives affect bargaining unit pay and are therefore likely to be subject to mandatory bargaining. What’s more, designing and implementing a pay for performance program can have a major impact on the larger organizational change program. Consequently, we recommend having many different people involved because this helps to align the organization to new goals and objectives.

While it is helpful to learn about other successful programs, such as the ones subsequently described, it is important to design your agency’s particular program with the specific input of your agency’s employees. The tasks of the overall governing committee should be to: 1) decide the goals, 2) agree to a methodology for assembling information and setting measurements, and 3) oversee the implementation of the program. It is important, as these tasks advance, that the governing committee implement a strong communication plan on progress. We also recommend a labor and a management team at each worksite that can deal with local implementation problems and glitches. If a team cannot resolve a problem, it can approach the agency level committee. This process provides both an avenue for conflict resolution and a means to prevent top agency and union leaders from becoming bogged down in lower-level issues. The facilitator(s) should have experience with pay for performance plans but should also be able to customize a plan with the input of the various stakeholders. An additional member of the committee may be an official or representative from the political jurisdiction, an agency governing board member or a member of the community. Including one of these representatives on the committee may strengthen understanding of this initiative among various stakeholders. Like any other labor-management committee, the scope of the committee’s mission, decision-making capacity, and time frame should be defined before the committee starts to work.

**Definition of performance targets**

Ideally the targets for a pay for performance plan are derived from the agency’s strategic plan. These targets should flow naturally from the division of responsibility
in achieving the goals of the plan. Further, the goals chosen should be key to the success of the agency, and should involve the major work processes in the agency. Finally, it is important that the targets be defined in transparent terms and clear measures be established before the measurement process begins.

**Designation of work processes**

Tracking the current flow of work—both technical processes and social interactions—are required for this step. This allows staff to clarify who and what is actually involved. A facilitated discussion between bargaining unit members and managers should be held to uncover information about how the work is really done. This is important so that actual work processes instead of “work practices in theory” are mapped. Through these discussions, process steps, departments and suppliers critical to the work may be discovered that were previously known to only a few. Sometimes there are disputes about how the work is actually done and confusion about responsibility is uncovered as well.

**Linking agency goals to performance measures**

Pay for performance systems provide incentives to improve organizational performance if employees see the connection between their own effort and target goals and if they have enough resources and discretion to achieve those goals. The work process mapping exercise should make it clear to every employee how their daily actions contribute to the achievement of specific agency goals. This is accomplished by making the connection between performance measures for each work process and agency goals. For example, agency goals, such as lower utility costs or improved client service, ultimately must be classified into specific performance measures, such as reduction in water line breaks and improved call response time.

**Determining unit payout: teams or individuals**

Whether individuals or teams are chosen will determine the nature of the performance you would like to improve and the scope of employee discretion over work processes. If you believe that pushing individual performance is the best way to enhance the effectiveness of the organization, you should choose individual level payouts. If, however, you believe that the enhancement of organizational systems will have the greatest impact on organizational effectiveness, choose the group as a unit for the payout. Rewarding the team will also enhance coordination, teamwork and sharing knowledge at all levels of the organization. Some organizations have chosen a mix. In the Miami-Dade Water Services case, for example, there is some individual compensation based on the overall organizational performance, with extra money for work on successful teams.

**The best information comes from the people who do the work**

It should be established at the beginning of the process that everyone will be involved in this initiative and that baseline information will be gathered from those directly responsible for doing the work. Enforcing this methodology is critical to the success of this initiative. In the beginning, and sometimes throughout the process, first line supervisors and managers may resist employee recommendations about changes in the way work is done. Nevertheless, to maximize effectiveness, top management and union leaders have to empower workers to honestly discuss the process and the problems. Work teams also will need authorization to negotiate with others in the organization who impact their specific tasks. For example, the process of purchasing and storing

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4 Please note that some goals cannot be accomplished by distinct departments and/or work groups. Some of the most productive work will come from two or more entities working together.
chemicals might have to change to improve the processing of sewage in a sanitation plant. Other important systems, work policies and practices, human relations offices, and finance, may have to be altered to increase productivity. One major issue often involves purchasing. Sometimes people are reluctant to challenge purchasing rules and processes because they may involve state or city law. However, Kansas City, Missouri, as described earlier in the text, has done it successfully.

**Changing work processes can create friction**

As employees begin to analyze production problems and look for better ways to do the work, they are likely to need information or cooperation from areas beyond their normal boundaries. Turf wars that can delay improvements can easily develop. A simple dispute resolution system should be put in place to deal with concerns that surface. Employees should be encouraged (indeed, it should be a part of the training) to use problem solving techniques to resolve issues through a one-on-one process first. The next level of discussion may involve a management and union representative for that work site. Still, there are some problems that cannot or should not be resolved at the worksite level. Tough system-wide problems should be sent to the organization-wide joint labor-management committee overseeing the entire initiative.

**Calculation of the gains**

In the public sector, “gains” generally mean cost savings or the difference between projected costs and actual expenditures. The calculation involves deciding how total gains will be measured and then determining the agency/employee split of the gains and the payout. Improvements in safety (sometimes measured by lower workers compensation claims), participation in community service activities (number of volunteer hours given in the name of the agency), and customer service (increased response time) can also be the basis of monetary rewards.

It takes a great deal of discussion to ensure that the measurements and goals have credibility with employees and with other stakeholders. A first step in the process is getting accurate measures of the current work outcome before any improvement is started. It truly is not reasonable to fix a goal and measure progress without that basic knowledge (Unfortunately, this happens frequently. People use industry wide benchmarks routinely without considering what this may require locally). Without knowledge of what is being done now, you do not know whether you are asking people to stretch (which is reasonable) or overextend (which is not). Sometimes it is helpful to have gradations of performance also, such as 75, 85, or 95 percent goal achievement. This rewards effort that led to improvement, even if the ultimate goal was not met. Finally, it is important to have a balance between what employees may think and what the community thinks is important. Bargaining unit members and managers alike may scoff at huge improvements in response time, error rate and the like, but the community may assign a high priority to these changes. A close analysis of the obstacles is required. Perhaps a new technology or a completely different delivery mechanism needs to be considered and factored into the potential cost savings. But it is the community that is paying the bill, so its needs must be considered first. Elected officials are particularly sensitive to this issue, since they want to be seen as good, responsive managers.

Measures should be understood by all. Some initiatives require that measures and supporting documentation meet the audit standards of the department. The means of calculating administrative costs is often a sticky topic as well. Many programs have found that influencing administrative and purchasing practices is a key to reducing costs. However, because of the built up bureaucracy in this area, changes require persistence and an ability to influence the legislative and administrative rulemaking process of the jurisdiction.

Regular feedback to line employees and managers about progress or lack of it on goals and objectives is vital. Continuous communication helps to identify snags in the work process. Although it is tempting to deal with a problem at the time when the payouts are being finalized, by then it is too late. Some programs use a complaint form that goes up the labor-management chain of command to catch problems. Others have continuous monitoring by a labor-management
team. Many use email and internal newsletters to alert employees to progress.

The division, or split, of monetary rewards is also often a contentious issue: to whom should the rewards go? The agency, the individual or the team? In the programs we have observed, there is generally a substantial proportion that goes back into the program itself, some that may go into an employee training, technology or work enhancement program and some that may accrue to individuals for group or agency performance. Experience with pay for performance programs has shown that the payout should be at least $1,000 to $3,000 in order to be meaningful.

Other issues

Budget and Wage Integrity. Pay for performance schemes are generally constructed on top of normal pay schemes. They should not be implemented as a substitute for basic wage increases5 (nor do performance awards make up for inadequate base salaries). An additional problem is the temptation to redirect large expenses out of relevant budgets, so that instead of truly saving money, these costs are merely shifted to another budget. Tensions often arise between departments responsible for operations and those responsible for procurement, administration and maintenance and creation of the infrastructure.

Also, some may sacrifice needed long term investments in favor of short term gains.

Diminishing Returns. After “picking the low hanging fruit,” we have seen that the pay for performance pool may shrink over time. This can create unsustainable expectations in payouts and in the rate of improvement in the agency. Some initiatives, like that of the San Diego Wastewater Department, have built in a reserve so that payouts are more reliable from year to year.

Examples of Pay for Performance in Public Sector Water and Wastewater Agencies

Miami-Dade County Water and Sewer Department—AFSCME 121/GASF/OPEIU, Local 100 Efficiency Program6

The Partnership Optimizing Water and Sewer’s Efficiency and Re-engineering (POWER) was established in 1998. Cost savings were critical because the unions and public utility were successful in staving off privatization attempts by promising to prevent water rate increases through labor-management cooperative ini-

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5 It should be noted that existing wage structures may need to be revised or phased out to fairly incorporate this system.
A provision for the employees to share in efficiency savings was part of the legislation that created the efficiency program. Partnership work teams were invited to make recommendations for improvements.

After agency-wide training on the efficiency program, individuals and teams made proposals for more efficient work, and over 3,000 ideas were submitted in the beginning. All improvement ideas were reviewed and prioritized by the Steering Committee, which consisted of the Executive Director of the Department and the presidents of both unions. The suggestions ranged from technical innovation to improved customer service. The ideas that did not need a detailed analysis were implemented and the complex ideas were reviewed by a Process Improvement Team (PIT). From 1998-2003 the water and sewer authority saved $20 million dollars due to improved efficiency and the employees gainshared on 25 percent of the savings.

The gain sharing program started by establishing a pool from savings beyond a goal set for performance. At this point in the program, a 25 percent cap had been set on the amount of the pool available for gain sharing. All employees below the Assistant Director level were eligible for gain sharing. The MOU is being modified in FY 05 because of problems determining an appropriate financial target and allowing for unforeseeable and uncontrollable expenditures.

When the gain sharing program started in the utility, it was the first such initiative in the county’s public services. Its success inspired other Miami-Dade departments to develop their own programs. Now the utility program is part of county-wide gain sharing guidelines and conforms to them.

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**City of San Diego Metropolitan Wastewater Department and AFSCME 127 and San Diego Municipal Employees Association Bid to Goal Program**

The City of San Diego Metropolitan Wastewater Department and public sector unions in San Diego have developed an innovative performance incentive program as part of a Labor-Management Partnership Agreement known as “Bid to Goal.” Under this program, designed to optimize service delivery, success is measured by the degree to which work teams exceed the goals as determined by industry benchmarks. Actual performance and supporting documentation must meet the City’s audit standards. The agency has found the Bid to Goal program to be a good way to build teams, develop common working assumptions throughout the agency, communicate policies and related action plans, and create a culture of innovation.

An important component of this approach is the validation of realistic budgets via benchmarking (often “mock” private bids submitted from independent industry experts), and the funding of incentives solely from the Partnership’s ability to achieve all operational goals and generate savings from the validated budget. Fifty per cent of the savings remain with the agency’s Sewer Fund and the other 50 percent is allocated to an Employee Assurance Program. The Employee Assurance Program is administered by a Labor-Management Partnership Committee that determines the best use of the funds within the parameters of 1) retention for future year contingencies, 2) investments that would advance employee professionalism/productivity/entrepreneurial initiatives, and 3) performance based gain sharing payouts. The gain sharing payout is capped at $3,000 (net of taxes) per eligible employee, with all eligible employees receiving the same payout. Savings are placed into the Assurance Program subject to review of the unit’s performance (i.e., all operational goals met). Employees with unsatisfactory performance are not eligible to participate.

The alignment of “deposits” into the employee incentive pool (Assurance Program) and the ability to carry over balances in this pool from year to year are key aspects of the Bid to Goal Strategy. This arrangement encourages employees to take a personal inter-

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est in the success of the Department, fosters an evident culture of continuous improvement and team-based work, and cuts costs to the ratepayer. The Bid to Goal program was a 2004 semi-finalist of the Ash Institute’s Innovations in Government Award.

There is also a “pay for performance” program for the entire wastewater utility. The “pay for performance” program has been adopted for San Diego’s water services.

**Louisville Water Company and AFSCME 1683**

There are two programs in place in Louisville to provide incentives for innovation. One program is “reward and recognition,” which provides incentives in the form of small cash payouts ($50 to $250) and/or corporate wear (shirts, jackets, etc) for employees, but predominately for work teams for new ideas. The team leader, who could be a union leader but generally is a manager, decides who is rewarded.

Since 2000, AFSCME 1683 and the Louisville Water Company have also had a pay for performance program. The performance goals for the initiative come directly from the utility strategic plan. The strategic plan is done by the executive leadership team, of which the union president is a member. Each goal in the strategic plan is measured in specific financial terms. The goals are set in terms of water quality, cost control and safety. There are two to three levels for each goal. All frontline employees and first line supervisors are eligible to participate. The payout is determined by achieving specific goal levels. In 2004, the payout was $522 per employee.

**King County Wastewater Treatment Program Productivity Initiative and SEIU Local 925, Teamsters 117, and the Technical Employees Association**

The King County wastewater treatment program and its union leadership are experimenting with an innovative gain sharing pilot for capital projects that holds a great deal of promise. This program has been launched in addition to the county’s successful gain sharing program for the operations side, which has insulated the utility from the county’s major financial problems, saved over $20 million in ratepayer costs, resulted in a $600,000 “Rainy Day” fund, and provided a three-year total of $2.6 million dollars for the employees’ Incentive Fund.

A description of the principles of the program, which are in various stages of development and implementation, follows. There are three components for the planned capital program: 1) major capital projects, 2) an asset management pilot program and 3) small capital projects. Each component requires that a baseline be established using realistic cost estimates validated by a third party, based on well-run wastewater program standards and built on the assumption of continued high-quality service delivery as defined by agency and county performance standards.

Major capital projects are defined as those greater than one million dollars. A target cost is established by an independent third party and this target does not change. Under the major capital projects program, there is flexibility to use the procurement methods best suited to a particular project and incentives are provided to design consultants and contractors to improve project delivery. The gain sharing split at the end of the project is 83 percent to ratepayers and 17 percent to employees. Employees are not penalized if the cost exceeds the target. All employees involved in the major capital project are challenged to find ways to meet the targets through the use of new project delivery methods, incentives for consultants and contractors, management of allied costs, and management of change orders and scope changes.

The asset management component is particularly important to King County because many of the wastewater program’s assets date from the ‘60s, ‘70s, and ‘80s, and are reaching the end of their useful life. Optimum asset maintenance, as well as refurbishment and replacement decisions, can result in substantial cost savings. The asset management program has meant moving from scheduled/preventive maintenance planning to a condition/risk assessment.

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8 Phone Interview with Bill Meeks, President, AFSCME 1683, April, 2005.
approach, identifying and focusing resources on critical assets, and challenging redundancy practices. Using this approach, replacement cost, condition assessment, and the maintenance record are analyzed. Targets are then set that incorporate the “total cost of ownership,” including operating and maintenance costs (generally found in the operations budget) and the cost of replacing or refurbishing the asset (generally found in the capital budget). All targets are validated by an independent third party. Savings are generated by increasing employee skills through cross-training, maintaining assets when needed, as opposed to when scheduled, using internal staff instead of contractors, delaying replacement, accepting more risk, and balancing capital and operating costs. If savings occur after examining the annual costs of operating and replacing or refurbishing each asset, then 50 percent of the savings go to the Incentive Fund.

The small in-house capital projects component provides opportunities for in-house staff to undertake projects normally done by consultants or contractors (subject to certain contract cost limitations). In this case, the target is set by the contractor bid. Money is generally saved by doing this work on overtime or during normal work hours if workload is covered by other staff in the program without additional overtime. Fifty percent of the savings go to the Incentive Fund. If the actual in-house costs are higher than the contractor’s bid, the wastewater program is “made whole” by the Incentive Fund’s Rainy Day Fund.

These programs may yield important savings in this costly aspect of water and wastewater management. The management and union leadership are to be complimented for taking on this important component.

**Example of Pay for Performance in Public Education**

**Toledo Federation of Teachers and the Toledo Public Schools**

The Toledo Federation of Teachers and the Toledo Public Schools have developed many innovative programs to improve student achievement through labor-manage-
ment cooperation. The Toledo Review and Alternative Compensation System (TRACS), developed in 2001, is one of the collaborative efforts to improve teacher performance. TRACS has three components.

TRACS A is compulsory and designed to improve identified groups of teachers. Under TRACS A, the union and the school district agree upon the use of specific materials and methods to address identified performance deficits. These deficits are mutually agreed upon and they include knowledge and skills training designed to improve student achievement and individual performance. Success or failure is determined by the Staff Development and Control Board, which consists of teachers and administrators appointed by the president of the union and a designee of the Superintendent.

TRACS B is focused on school performance. It is designed to recognize and financially reward teachers in schools that meet or exceed previously determined high performance achievement goals. The improvement goals are established by the Professional Assignment and Compensation Committee (PAC) and are aligned with school-based improvement plans developed by individual School Improvement Committees. Schools can only participate in this program when the entire faculty agrees, and financial rewards are paid to individual faculty members.

TRACS C is focused on individual teacher performance. Participation is voluntary for those who have a minimum of five years successful teaching experience, with at least three of those years in the Toledo school district. Qualification is determined by the PAC and is based on an evaluation of many factors, including evidence of continuous professional growth, peer respect, classroom excellence, writing proficiency and good teaching strategies. There are three levels of action, each with specific requirements, duties and functions and subject to mandatory periodic evaluation. In addition, there are significant pay incentives attached to all three levels in TRACS C. Teachers at the first level (career status) receive an annual stipend equal to 5 percent of their base salary. At the second level (accomplished status) they receive 10 percent of their base salary, and at the third (distinguished status), 15 percent.

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**Denver Public Schools and Denver Classroom Teachers Association**

Piloted from 1999 until June 2003, this is one of the best-known pay for performance programs in education. Under the Denver Plan, teachers’ compensation depends in part on measurable academic indicators, including student growth, teacher knowledge and skills and professional evaluation. Teachers who demonstrate success are rewarded with accelerated career earnings. Teachers who volunteer and are selected for assignments receive bonuses.

In devising the Denver Plan labor and management agreed to collaborate in an experimental multi-year pilot program linking teacher compensation to measured student outcomes. Key elements of the program were:

1. Creation of a four-member joint Design Team to design, oversee, implement and evaluate the project;
2. Limitation of scope to a specific number of schools (initially 12) and stipulation that school participation be voluntary, based on an 85 percent faculty vote;
3. Evaluation of the pilot through a commissioned research study.

In addition to creating a system to reward teachers, the system was also designed to attract and retain highly qualified teachers. Accordingly, market incentives, professional evaluation results, teacher knowledge and skills were added to a measure of student achievement. The 2003 proposal was to increase teacher earnings from a potential of $65,000 (for those with Ph.Ds and 25 years of service) to $90,000, make maximum earning possible earlier in a teacher’s career and continue the policy of freezing cost of living adjustments for under-performing teachers.

Finally, this program offered participating schools a choice in the measurement of student achievement. The choices were test scores from the Iowa Test of Basic Skills, a norm-referenced student performance test, a change in test scores on a criterion-reference test, teacher-created measures, or evaluation on the basis of the teachers’ acquisition of skills and knowl-

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edge. Later in the project, the three different approaches were collapsed into one that involved both student achievement and professional development measures.

While the Denver program provides teachers with substantial professional responsibility for improving student outcomes, it also offers them a professional and collaborative role in determining specific outcomes and deciding how they should be assessed. For example, pilot school teachers set student learning objectives from year to year, either individually or as a team, and then sought principal approval (instead of getting direction from the school principal). The teachers provide evidence of student achievement based on data in previously agreed-to form. The evaluation of student achievement scores can take into account individual student circumstances, such as socio-economic status. As a result, teachers are neither disadvantaged by difficult teaching assignments, nor discouraged from taking them.
Institutionalizing the Labor Management Approach

“Come to the edge,” he said.
They said, “We are afraid.”
“Come to the edge,” he said. They came.
He pushed them...and they flew.

—Guillaume Apollinaire

Study of labor-management initiatives in the private sector shows that such cooperation yields higher productivity, improved labor-management relations and improved working conditions. Unfortunately, the research also shows that the initiatives are hard to sustain. In the public sector, changes in agency leadership, as well as shifting electoral tides and community/citizen sentiment, can make it difficult to maintain the momentum and the personal and social cohesion required for successful labor-management initiatives. Some may argue that maintaining labor-management cooperation over time does not make sense in this ever-changing world. However, we would argue that the results make it worth the investment.

It is our experience that the labor-management effort and the necessary relationships inherent in such cooperation require constant attention and must always appear at the top of the priority list for the union and management. The external and internal pressures are dynamic and constantly test the relationships and the approach. Top leaders will have to remind all the stakeholders of the importance of taking the long view. Having said that, there are actions that can be taken to make the labor-management partnership more enduring. What follows is a discussion of important levers in institutionalization.

Attention to the community

Unlike in the private sector, when labor and management collectively bargain in the public sector, they know that a third force must ultimately live with the outcome: citizens. The degree of citizen satisfaction is critical to the stability of an agency and its initiatives. In the long term, the labor-management approach will have to be supported by the community if it is to be maintained.

Citizen involvement in a cooperative initiative ranges from participation in the strategic direction of the agency, to serving as a volunteer in an agency, to responding to a citizen satisfaction survey. Some of the most innovative initiatives include citizens as members of their boards and involve them in the strategic planning of the agency. This practice can have important positive results. In the Louisville Water Company, citizen/stakeholder involvement has increased support for needed rate hikes. In Cuyahoga

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2 These changes are typically more frequent in management than in labor. For example, police chiefs in large urban areas and superintendents of large urban schools generally turnover every two years (See The Washington Post, May 29, 2005).

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County Human Services, stakeholder involvement in planning initiatives has helped encourage neighborhood ownership of the problems of foster children and abused children. This role for the community has produced unique programs that keep children in their own neighborhoods.

There are a vast number of initiatives that involve stakeholders as sources of information about available services (Los Angeles County Social Services/SEIU 790); as parental partners to establish better ties with students (New Orleans Public Schools/AF Local 257); as a means to engage citizens in the budgeting process (City of San Jose/AFSCME Local 101) or to work with citizens on community events (Houston Police Department/Houston Police Officers Union, IUPA).

All of these efforts bring citizens closer to public service. We have found that the higher the degree of involvement in decision making, the more accountable and transparent the work of an agency tends to be to citizens. Then they, in turn, are more likely to support the agency.

Expanding the Pie, Instead of Fighting Over the Crumbs: Management-Union Collaboration in Tax Initiatives

Union leaders and members generally have different connections to citizens than agency leaders do. It is important to make use of these differences in order to capture the perceptions of the agency held by different parts of the community and to understand the many, sometimes divergent, needs of a community. Capitalizing on the varied connections the union and management have to the community has proven very effective in working together on revenue initiatives.

Cuyahoga County Health and Human Services: The Cuyahoga County Health and Human Services Department cares for 30 percent of Ohio’s children in custody. The number of children in permanent custody and long term foster care has continued to grow. Through their labor-management partnership with AFSCME, Local 1746, the turnover rate in social workers has decreased, case loads have decreased and child deaths have been reduced. In the last few years, however, both the union and the agency realized that effectiveness would soon suffer unless the agency could increase its revenue. As a result, they worked together to pass two levies. The first renewed and increased funds for mental health and human services, and the second passed with little opposition. Key ingredients to their success were:

**Early, strategic buy-in.** With the support and communication of the County Commissioners, the stakeholders knew the need for the additional funds was real.

**Use of existing relationships in the community.** Cuyahoga County Human Services has been engaged in community planning for over a decade. When necessary now, the agency and AFSCME 1763 can count on those involved at the grass roots level for their support.

**Key role of union leadership.** Union leaders actively talked with members about the need for the levy. They secured support from a variety of unions, including the Building Trades and the local CLC/AFL-CIO in: providing financial resources to the campaign, participating in public speaking engagements with management, providing expertise on campaign methodology and by staffing phone banks, holding rallies and exhibiting yard signs.

Toledo Public Schools

Toledo Public Schools have 37,000 students and have been engaged in a very successful peer-mentoring program for teachers with the Toledo Federation of Teachers. The program has improved teacher quality and increased student achievement.

Like most school districts, Toledo Public Schools has its own bond and levy issues on the ballot. Over time, the involvement of the unions in the passage of these issues has increased. In the past, the administration would consult with the unions about financial needs, but currently, each of the three unions (Toledo Federation of Teachers, AFSCME and administrative local) sit on the planning committee with School Board members and other community leaders. The unions have worked with their own membership, gen-
erated personal correspondence to parents about school district financial needs, provided volunteers for literature drops and participated with management in public meetings. Together they were successful in the 2004 campaign.3

**Building leadership**

“To lead the people, walk behind them. When the best leader’s work is done, the people say ‘we did it ourselves.’”

—Lao Tzu

One major factor in the death of labor-management cooperative initiatives is change in leadership. Top leadership change is frequent, if only because administrations often change every four years and, in large urban schools and police departments, every two years. Because it takes at least a year to get these initiatives up and running, and it may take longer to see real results, it is important to be thinking about successors almost from the beginning.

Management:
Patterns of organizational defensiveness can be extremely difficult to break. In the middle stages of their quality initiative, one frustrated CEO (whose organization later won the Baldrige Award) stood on a chair in front of 200 top managers, told them to raise their hands, and said, “Repeat after me. I will listen. I will not shoot the messenger. I realize management is primarily responsible for our problems.”4

As stated before, doing this work requires new skills and perspectives. Therefore, it is critical to train all senior staff and require them to use their new skills.5 For instance, new methodologies can be used in management meetings to reinforce the skills and thus send a clear message to your immediate staff that you are serious about this new approach.

Further, think strategically about which sections you want to select to initiate work teams. While you should start in some areas where you are likely to have an early win, it also makes sense to choose areas where the top leadership is likely to absorb these new techniques. These leaders will become champions of the new process, or if they do not, you have more time to develop them.

Middle management requires special attention. These managers can be easily missed in the beginning when attention is usually focused on the new relationship with the union and the sentiments of senior staff. But if they are ignored they can sabotage efforts, especially over time. Remember, they are experts in weathering change. Consider how many administrations and “flavors of the month” they have survived, usually by ignoring the entire initiative. It is wise, therefore, to develop a plan for engaging them: talk to them personally, listen to their ideas, find roles for them in the initiative. As you and your deputies work with them, listen to their frustrations and help them find solutions. Finding new roles can be difficult because often the organization will become more efficient with fewer middle managers. However, they can become trainers/facilitators, they can be given special projects or be moved to other agencies. By working with middle management, you will also identify managers who will become supporters of the process. Since they are less likely to leave an agency than top management, in the end they have a significant impact on the long-term vitality of the approach.

Involvement and progress, and eventually the results from the labor-management process, should be a part of every manager’s and supervisor’s evaluation.

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3 Although they were not successful in their 2005 campaign to raise revenue.
5 Do not forget the finance department in this process. Managers there often feel that they do not have to change and, by taking that stand, they become an impediment to the change process in the organization. They also have knowledge that everyone will eventually need to improve their own work. Insist that they are involved from the beginning.
The Union

It may seem counterintuitive, but building new capabilities and enhancing existing skills of seasoned union leadership are important, not only to sustaining a labor-management cooperative approach, but also to sustaining your own leadership role. Because union leaders are regularly elected, it is in your interest to ensure that your members understand why you have taken this approach and that they eventually become supporters of it themselves. All too frequently, local union presidents lose their subsequent elections—not because of the initiative, but rather because the relationship between management and labor appears to be exclusive i.e., a top leader is seen as being “in bed” with management. There are a number of steps that can be taken to avoid this negative outcome and that will give the labor-management initiative a better chance to succeed after you yourself have moved on to other activities.

The decision to enter into a labor-management partnership should be made in consultation with your local executive leadership and stewards. Ideally, you would take this decision after consultation with your membership, as well. The issue is best discussed in the context of the ways in which participation would enhance (or not) the union’s goals. The discussion should include an analysis of what is to be gained and what could be lost as a result of participating. You should be clear with your leadership and with members that there are no guarantees either way: the decision usually involves increasing (or not) the number of opportunities open to the union. Because participation will require more union work, the local’s leadership should make it clear that more volunteer participation is a condition of the local’s participation. The added work may mean providing help to the local securing more of a buy-in by the membership, and sending a message to everyone that participation is a collective not an individual decision.

Once a set of individuals has been selected, training in new processes and orientation in union goals should be instituted. Training in new meeting and conflict resolution processes should be provided by the employer. Training for union leaders should be conducted at the same time as management training. Orientation in union goals and approaches is necessary to ensure that members understand they represent the union and not themselves when they participate in this labor-management initiative. Training and inclusion in joint activities should continue throughout the initiative. As a union leader you should look for opportunities to involve other leaders as much as possible. Some opportunities may include benchmarking trips, speaking engagements, leadership of special projects and sponsoring joint conferences on high performance. A variety of leaders should be assigned to engage the membership on this topic. In this way, the initiative will be identified with a variety of leaders, and not just one.

Union and Management

For a number of reasons, both union and management leaders share a mutual interest in ensuring the development of new leadership. First, this helps to avoid the awkwardness of “educating” the new partner when he/she comes to a new position. Second, transitions will go more smoothly; programs will not be interrupted. Third, the more relationships across
leaderships can grow, the deeper the labor-management approach is embedded in the culture of the agency and the union. This allows more ways to solve workplace issues in the future.6

Other organizational strategies

Contract Language

In the beginning of a labor-management initiative, it probably makes sense to avoid specific contract language. However, eventually the existence and composition of a labor-management initiative, its scope and any financial arrangements involved, should be in writing. A written agreement can also codify the broad joint goals that both organizations share: improving student achievement, making public service more efficient and effective, and improving the lives of citizens in a particular political jurisdiction. The agreement should also clarify the ways in which this work is distinct from the administration of the balance of the collective bargaining agreement. In other words, the labor-management collaborative effort should neither infringe on nor modify the existing collective bargaining agreement, unless both the principal management and labor negotiators agree to a modification and follow the ratification process.

Here are some examples:

**Preamble (2001-2003 Agreement Between the Board of Education of Special School District #1 and the Minneapolis Federation of Teachers)**

*This agreement is dedicated to doing better. We exist to ensure that all students learn. We support their growth into knowledgeable, skilled and confident citizens capable of succeeding in their work, persona and family life into the 21st Century.*

**Article 21, Quality Services Through Partnership (1997 to 2000 Contract Between the State of Ohio and the Ohio Civil Service Employees Association/AFSCME)**

*The Employer and the Union are mutually committed to continual improvement of quality state provided services through a joint partnership involving union leaders and staff and the bargaining unit leaders they represent, agency directors and their agency management staff at all levels of their organizations...The principles of the Article shall apply in all quality improvement processes utilized in agencies with OCSEA bargaining unit members. QStP will be jointly developed, implemented and monitored. It is recognized by the parties that QStP is a separate process from the normal collective bargaining and contract administration procedures. The purpose of QStP will be to establish a quality work culture and environment which allows for a collaboration of management and bargaining unit talents through the use of the quality processes and procedures to develop and deliver quality services through union and management teamwork and employee involvement and empowerment. As a result of their mutual commitment to improving quality services, the parties agree that quality outcomes and improvements resulting from QStP will not be used as the basis of rationale for layoffs.*

**Financial Commitment**

Pursuing a labor-management initiative takes money. Resources are needed for facilitation, research, and implementation. Often, staff are put in place for follow-through on a variety of projects. One decision that must be made concerns staff reporting; will staff

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6 In 2003, informal interviews were conducted of notable public sector labor-management projects that had been viable in the 1990s. Many of them were not as robust as they had once been, but leaders report that some of the initiatives were still in place. Others said that they were starting the initiatives again, after a hiatus.
report to both the union and management, or will each institution assign its own staff? Please note that it is not unusual for management to pay for union staff dedicated to this initiative. Local unions rarely have financial resources equal to those of their employers. In Louisville, for example, a union quality coordinator is paid for by management. In Phoenix, management pays for a consultant to each union involved in the initiative.

Sometimes, funds allocated for joint work are generated by the results of the work, after some initial seed money is allocated. In this way the project eventually pays for itself.

Funds should also be consistently set aside for facilitation and training. There will always be new employees who require orientation. There should be new events to promote continuous learning, to highlight achievements and to keep the project in the organization’s spotlight. The labor-management cooperative effort in the state of Ohio, for example, held a joint labor-management annual conference on the high performance workplace. Certain agencies in Ohio have hosted agency wide conferences to highlight agency progress.

Finally, conflict resolution mechanisms, whether they be worksite labor-management teams, agency labor-management teams, or other vehicles, should continue to function. Their purpose is to drive problem solving to the point where the individuals involved in the conflict learn to resolve the problem (unless this matter is beyond the their scope of authority). This type of conflict resolution helps diffuse the tensions that inevitably arise throughout the labor-management change process. It also helps to institutionalize a culture of problem solving and responsibility instead of complaining and blame.

Working with National Partners

Each local agency and each local union generally are affiliated with a number of national organizations that can be helpful in the labor-management cooperative approach. These organizations can provide technical resources and staff support. In addition, institutional support may be available. A number of public sector unions have endorsed the labor-management cooperative approach at their national conventions. National staff at the AFT, AFSCME and SEIU can answer questions about labor-management cooperation, share best practices and help to problem-solve. National professional organizations, such as the National School Boards Association, American Water Works Association, National Association of Clean Water Agencies, and others also have experience with labor-management cooperation that they can share. They may also showcase this information at their national conferences and in their publications.

While each organization would be hesitant to get involved without the local organization’s approval, sometimes these national organizations will use their institutional resources to solve problems or encourage participation in labor-management cooperative initiatives.
Labor-management cooperation can bring out the best in people. All the processes are designed to enable the participants to share their talents and ideas and to change work systems in ways that maximize productivity and employee benefits. In addition, the process of developing a labor-management cooperative approach to workplace issues can grow into social capital for both parties, resulting in joint efforts to raise revenue, build support for services in the public domain and foster national partnerships to improve public policy.

But it is hard work. It requires the development of new skills and ideas that are more congruent with today's dynamic economy and society than with the traditional approaches developed in the early 1900s. “The approach builds alliances across the agency, union(s) and the community. And it demands that all stakeholders cherish each other as allies. Partnership is a commitment to a dialogue, not an act of concession. This must be based on reciprocal commitments.”1 Rather than relying on “control,” leaders have faith that the processes and mutual interests will yield good outcomes. To be successful, leaders maintain the vision of dealing with external threats and trends and overlooking short-term setbacks.

A crucial starting point is creating a strategic vision for what the union and management want to accomplish together and involving as many employees and community members in the visioning process as possible. Another key element of success is obtaining training and facilitation. Measuring outcomes, communicating accomplishments and explaining lessons learned from mistakes will make the labor-management effort real.

Unions and management play different roles in the workplace. While some of the roles might become blurred in work processes approached through labor-management cooperation, the union’s democratic character does not change. Nor does the fact that management is ultimately responsible for the work systems, or that the union is an advocate for its members and a political force in the community. Embrace these differences; learn how to capitalize on them. For example, a union leader can say things to an elected leader and initiate public campaigns that would cause a manager to be dismissed, no matter how accurate the facts.

The very idea of a public sector is under siege.2 For those of us who believe the public sector is crucial for a healthy society and economy, we are proposing this practical innovation. What better way to maintain public services, than by marshaling our resources, skills and common vision through labor-management cooperation?

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1 Kevin Boyle, Presentation to OCSEA/AFSCME, Columbus, Ohio, April, 1997, mimeo.
2 Joel Bakan writes, “That time has come. Today practically all economic activity is carried out under the corporate form... One large barrier remains, however, to corporations being in control of everything: the public sphere.” Joel Bakan, The Corporation: The Pathological Pursuit of Power, Free Press, New York, 2004, p. 112.

Timing Issue:

It is wise to launch a high performance change initiative soon after union elections, so that changes in union representation do not disrupt the process and campaigning does not divert union members from the core issues of the change effort. Similarly, a commitment should be made to retain the managers in place at the start of the effort. They can be responsible for and successful at leading the change process, and this is key to sustaining needed leadership in the first critical years of the transition.

Consultant Assistance Issues:

External assistance is critical to the success of efforts. Unions will want to contact their national and find out what policies, guidelines, training, consulting and references are available. Management needs to explore corporate resources and policies. Together, labor and management can find out about local community assistance and interview at least three consultants and jointly select one with whom they will work. This process can be a great learning experience in itself.

I. Initial Efforts to Build “Unity in the Ranks”

Initiatives have a much greater chance of succeeding if management staff — including shop floor supervision, engineering, quality and other technical staff, human resources, and all layers and functions — understand what management’s goals and intentions are and what role they are expected to play in the change. By the same token, if union elected officials and members know, and buy into the reasons the union intends to participate in a workplace change process, then the union will launch into the effort on much more solid ground. Each side will benefit from carefully preparing its people, independent of the joint process.

The research, planning and participatory approach that management staff and union leaders put into this advance preparation models the work they will continue in the change initiative and forces them to engage in the research and learning necessary to provide solid leadership.

II. Assessment of the Labor-Management Relationship & Resolution of Problems

Often, initiatives are begun when a variety of outstanding and persistent issues simmer in the labor-management relationship that reflect long-held grievances and misunderstandings. The initiative will be strengthened if a (facilitated) process involving the labor and management leadership group lays all of these issues on the table and problem-solves them to the best of everyone’s ability and to everyone’s practical satisfaction. The process will illustrate weakness in current performance, skills and norms that, if carried over into the change initiative, will undermine it. It will also begin the learning of important skills, and should improve relations upon which to base more complex joint initiatives.

1 From the Labor Management Council for Economic Renewal at UAW Region IA, 9650, S. Telegraph, Taylor, MI. 48180, Maureen Sheahan, Executive Director. The model relies heavily on the work of Workplace Transformation, Inc., Greg Huszcz of Eastern Michigan University, and upon the experiences of many Council member firms and unions.
III. 4-8 Month Change Design Process that Incorporates Training

1. Committee Selection:
A group of 8-16 labor and management representatives must participate in training and design. Determination of the participants should include consideration of the following points:
- representatives should reflect critical departments or areas within the worksite, management functions, and union shifts and classifications;
- the union chair person and plant manager need to be on the team;
- it can be good to recruit volunteers, but a site may decide to assess potential participants for the reading, participation and leadership skills that will ensure their ability to participate effectively in the process;
- the union may want to ensure that both elected officials and hourly members are on the committee, and, to alleviate political pressures and comments about favoritism, the consultant can interview and select members who are not elected officials.

2. Committee Training:
Training should be sufficient to bring representatives to the point of understanding how each decision they make is a risky balance between potential benefits and drawbacks, for each individual aspect of the plan. Training will include:
- formal classroom/lecture training covering options and background information;
- opportunities to meet labor and management representatives from experienced worksites and observe and interview within those facilities;
- facilitated problem-solving/design activities that are evaluated by a full committee;
- use of surveys and other feedback methods to develop greater understanding of the viewpoints and needs of all employees at the worksite.

During the planning process, at the end of each session, the committee should prepare a written communication for the entire workforce to keep it updated on the process. The training and design have importance as the leaders’ preparation for the demands that will be placed on them once implementation begins. They should emerge from the process confident of their understanding of the issues and deeply committed to making a success of the effort. If the process fails in this, the initiative cannot be durable.

IV. Final (First Draft) Redesign Agreement that Includes:

1. Goals and Objectives of New Process built on the agendas both sides brought from their initial efforts to build “unity in the ranks” of their constituencies. These should reflect the issues addressed in traditional business plans, including market growth and new technologies.

2. New Organizational Structure that reduces layers and more closely links people whose functions are inter-dependent.

3. A Multi-Year Plan for Transition that projects how and when everyone is drawn in.

4. Definition of New Roles and Responsibilities for all people in the organization, that illustrates a real commitment to support the change process.

5. Progression Path for All Employees that will encourage the building of skills and knowledge to fully participate in the new structure and fulfill the goals of the effort.

6. Incentive Plan covering all employees, and Reward and Recognition Structure for employees learning new skills and contributing to improvements.

7. Initial Training Plan for All Employees which includes:
- Orientation to new work organization, its goals, purposes & underlying philosophy;
- Relationship skills for a team/group environment;
- Group problem-solving and analysis skills;
- Business and finance, activity-based accounting;
- Participatory leadership skills for those in leader roles, including presentation skills.

8. Pilot Area for Transition that allows for:
- Testing out of design;
- Opportunities to improve on design as weaknesses emerge;
The Pilot Area should be small enough to ensure that the organization has the resources to support it, i.e., maintenance department, engineering, provision of daily/weekly/monthly performance feedback, training, and finance department. It should be large enough to offer scope of experience, i.e., not to put all the eggs in one basket (2-4 teams).

9. Communication Plan that defines the methods (i.e. newsletters, postings, updates, meetings, videos, data report-outs, etc.) and commits resources to ensuring continuous flow of information to all employees regarding:
   • Progress toward the goals that the initiative is committed to;
   • Company’s position in the market and other indicators of success/challenge;
   • News from the union on its role in the change and updates from the national scene;
   • Lessons from implementing the change process and how problems were resolved;
   • Upcoming plans and activities of the transition plan;
   • News from the shop floor;
   • Recognition of accomplishments.

10. Relationship of the Agreement to the Contract.

V. Preparation and Education for Vote by All Employees (management staff as well as union members) on agreement, including:
   • Detailed meeting overviewing plan to all employees, followed by distribution of copies of the plan;
   • Small group discussions (some with management staff, some with hourly);
   • Union meeting(s) to discuss the plan;
   • Design Team availability for one-on-one discussion. Implementation would only begin if 51 percent or more of all employees voted in favor of the plan. If a majority vote against the plan, a survey/focus group initiative should be undertaken to determine employee concerns and improve the plan to incorporate these issues.

VI. Implementation of the Plan, Overseen and Monitored for Continuous Improvement.

It is very unlikely that any plan will run perfectly once it is put in motion. Teams will have interpersonal conflicts, find new policies cumbersome, have difficulty getting the support they want when they want it, find the training ineffective and/or boring. Leadership will be frustrated by teams’ lack of focus, difficulty in cross-training or holding effective meetings, or run into resistance from various people within their ranks. Success demands vigilant attention and a willingness to take action to alter, adjust and change aspects of the plan as necessary.
SWOT Analysis: Assessing the Environment

Looking at the external environment, what are the threats facing your union? What are the opportunities?

<table>
<thead>
<tr>
<th>Threats</th>
<th>Opportunities</th>
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<tr>
<td>In the society/economy at large:</td>
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<td>In your Industry:</td>
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<td>Locally:</td>
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<td>In your community:</td>
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Review the lists and rank the four most Important Items in each list.

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<th>Threats</th>
<th>Opportunities</th>
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SWOT Analysis: Assessing the Union

Given the environment the union finds itself in, what are the strengths and weaknesses of your local?

Strengths  Weaknesses

In the society/economy at large:

In your company:

In your own workplace:

Review the lists and rank the four most important items in each list.

Strengths  Weaknesses

1.

2.

3.

4.

Strategic Planning Guide

<table>
<thead>
<tr>
<th>Possible Actions Modifications</th>
<th>Needed Support</th>
<th>Responsibility</th>
<th>Time Table</th>
<th>Required Resource</th>
<th>Success Criteria</th>
<th>Monitoring Mechanisms</th>
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Checklist 1.

Local 1199E-D.C. Principles And Values: A Checklist for Evaluating Change

1. Does this help us meet our union's overall goals?
   - Becoming a recognized force for better quality patient care.
   - Assuring good, secure jobs for tomorrow.
   - Having our members really influence what's going on in our hospitals.
   - Building our power for better pay and benefits by growing our union.

2. Does it advance the union's objectives for the committee's work?
   (Refer to your committee's specific objectives.)

3. Does the proposal (either management's or our own) meet the following membership-endorsed principles and values?

   **Effect on our patients:**
   - Will it lead to better-quality care for our patients?

   **Effect on our members in terms of job security:**
   - Will members' livelihoods be protected? Will anyone lose pay and/or benefits as a result of the proposal?
   - Will the work lead to greater employment security, both in the particular hospital and/or in the industry as a whole?
   - Are the job skills fairly well standardized with those of the other hospitals?
   - Will certification be an appropriate way to accomplish that security?
   - Is there a reasonable expectation that with sufficient training most of our members can do the work?
   - If the proposal involves changes in members current job requirements, will the hospital provide all the training on hospital time?
   - If even after ample training, a member is not able to satisfactorily perform the new job function(s), will he or she have to bear the brunt of this (lose pay, status, etc.) or will reasonable accommodation be made (Either support for early retirement if appropriate, or a specialized job description for that particular person, or another job in the hospital at the same pay, etc.)?

---

2 Fred Mason, Vice President, Local 1199E-DC
Check

**Effect on our members in terms of good jobs:**
Will reasonable workloads be maintained?
Will the work be more, rather than less, interesting to do?
Will the work allow us to use more, rather than fewer, skills?
If the work requires mastery of new skills, will there be increased compensation?
Will the work be more, rather than less, safe?
Will the schedules be more, rather than less, family friendly?

If not everyone is going to be treated the same, is there sufficient attention being paid to the rights of more senior workers? Are all affected people getting treated fairly?

**Effect on our members for the future:**
Is the hospital making available training for meaningful career advancement in addition to the training workers need to do their current jobs?
Will the work lead to greater employment security, both in the particular hospital and/or in the industry as a whole?
Are the jobs skills fairly well standardized with those of the other hospitals?
Will certification be an appropriate way to accomplish that security?

**Effect on our union:**
Will the new jobs, if any, be union jobs?
If no member is going to lose his/her job, but there will be a net decrease in the number of union jobs, can the union address the resulting union security and strength issues?
Will this build unity between members in different jobs/departments/hospitals?
Were our members’ ideas solicited and respected?
Were our members consulted about alternatives to the specific proposal?
Were their ideas incorporated?
Do our members agree that the proposal adequately meets our principles and values (this checklist)?
Will they have continuing input and influence over what’s going on?
Will there be an objective evaluation of the program?
Does a pilot or trial make sense?
Key Elements of Strong Labor-Management Partnerships

Vision

Please check those items that apply:

_____ The purpose of your partnership is to 1) improve the quality of public services; 2) create the most value for taxpayers; and 3) provide a high quality work environment for employees.

_____ You have a shared vision of a preferred future for the labor-management relationship.

_____ Everyone involved recognizes that this is a long-term effort that requires perseverance and patience.

_____ Where relevant, you have made efforts to effectively inform stakeholders of the “preferred future” to help them understand the issues more clearly.

Authorization

Please check all that apply:

_____ Elected officials, managers, union leadership, union membership, citizens/community and press have bought into the notion of a labor-management partnership.

_____ There are no sources of resistance among these stakeholders.

_____ Measures you are using track improvements that result from labor-management projects.

_____ You have strategies to communicate results to the larger community.

_____ You are soliciting input from the larger community.

_____ You work well together.

_____ There is follow-through on the commitments you make to each other.

_____ You are taking steps to institutionalize the labor-management partnership and change the larger culture of your jurisdiction.

1 Linda Kaboolian, State and Local Strategy, 4-28-99.
Capacity

Please check all those that apply:

_____ You have a governing structure for your labor-management program.

_____ Ground rules for the relationship are in effect.

_____ You have adequate numbers of trained facilitators.

_____ Mechanisms are in place to resolve conflict.

_____ A plan is in effect to increase the proportion of workers and work units involved.

_____ Other management systems (e.g. labor-relations, personnel, budget, contract administration) support the labor-management effort.

_____ You have been effective in obtaining resources for your initiative.

_____ Technical assistance (e.g. consultants) you are using is relevant, effective, timely and is directed jointly.

_____ Your labor-management effort learns from the experiences of other labor-management efforts.

_____ You evaluate the progress of the labor-management effort and make adjustments where necessary.

_____ Work units use innovative techniques to improve processes and customer service.

_____ The skills exist in the workforce for problem solving within natural work units and they apply these processes to their day-to-day work.

_____ Workers, supervisors and managers work well together and treat each other with respect.

_____ Cross functional teams work effectively to streamline or restructure work, enhance service delivery and evaluate their efforts.
Measurement Resources

Websites

The following web sites contain information LMCs may find very useful. Many of them contain links to other valuable web sites.

Alliance for Redesigning Government  
American Society for Public Administration  
American Society for Quality  
Association for Quality and Participation  
Government Accountability Standards Board  
Governmental Accounting Office  
International City/County Management Association  
Institute of Government  
International Quality and Productivity Center  
Iowa Department of Management  

(This is an excellent source of information on activity-based costing)
**Team Charter**

The following worksheet may be helpful in building and organizing content.

1. Name of team:

2. Members of the guidance team:

3. Task/topic the team will address (*please be as specific as possible, including scope/boundaries*):

4. Desired outcome(s):

5. Expected completion date:

6. Date team will receive a response to its work:

7. How team will communicate its progress with guidance team, the LMC, and/or the LMSC:

8. Departments that will be affected by the activities of the team:

9. Members of the team and their affiliations:

10. Parameters of the team (legal, financial, regulatory, policy):

11. Team leader:

12. Team facilitator:

13. Amount of time per week it is anticipated team members will need to participate in the team’s activities:

14. Date charter approved and approving body:

15. Other considerations:
Summary of Results

1. Name of team:

2. Members of the team:

3. Members of the guidance team:

4. Summary of task(s) the team worked on (no more than 100 words):

5. Accomplishments of the team:

6. Please list at least four specific outcomes (for example, reduction in time required to perform a task, money saved, percent accuracy increased, increase in customer satisfaction):

7. Starting and ending dates of the team’s work:

8. Name and phone number of person completing this form:

9. Name and phone number of person to contact if there are questions (if different from above):

10. Lessons learned:

11. Other thoughts:
Departments that will be affected by the activities of the team:

1. Members of the team and their affiliations:

2. Parameters of the team (legal, financial, regulatory, policy):

3. Team leader:

4. Team facilitator:

5. Amount of time per week it is anticipated team members will need to participate in the team’s activities:

6. Date charter approved and approving body:

7. Other considerations:

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Work Redesign Considerations

Areas for discussion:

Understanding: Why “change” is necessary.

Impacts on:  Workers
            Union
            Company

What if we maintain the status quo? Realities for Worker, Union and Company.

What are the needs of:  Workers?
            Union?
            Company?

How do these needs get solicited and then communicated?

Leadership levels of the Union and the Company:

What is the leadership's:
            Purpose?
            Goals?
            Strategies?
            Needs?
            Expectations?
            Timelines?

How and who communicates these?

How does this group communicate with the workforce and how does the group want the workforce communicating with it throughout the redesign process?

Local leadership and team membership:

Who selects these individuals?

What training is necessary?

With whom do they work-reporting structure/strategic leadership?

Do they have autonomy?

Meetings: When/where/who/how?

How do accountability, communications, decision making, norms, reporting structures and reward systems continue and/or change throughout the redesign process?

How do we get input and information from those not on the redesign teams? How do we communicate with these workers?

How does productivity for workers on committees become adjusted in their favor?

Discuss respect and trust in relationships.

Discuss how accomplishments and recognition will be visible throughout the redesign process?

Source:  Kevin Boyle presentation to OCSEA/AFSCME, April, 1997, Columbus, Ohio.
Tips for Communicating When in Conflict

- Use “I” statements. Avoid “you” statements.
- Avoid verbally assigning motives to the behavior of others.
- Create a context for your questions that is non-threatening.
- How something is said may be more important than what is said.
- Pay attention to your inflections, tone of voice and body language. Non-verbal communications can also send very strong signals and escalate conflict.
- Summarize when agreements have been reached (both verbally and in writing).
- Check for clear understanding by paraphrasing what you’ve heard.
- If the other party is entrenched in a position, try to elicit why they are holding the position to help determine their underlying interests.
- It can be helpful to ask “suppose” or “what if” questions to introduce ideas or points that have been overlooked.
- Listen carefully. Do not interrupt. (If you have a thought you are afraid you will forget and keeping it in mind is interfering with your ability to listen, quickly jot it down as it occurs so you can refer to it later and still listen effectively.)
- If an impasse is reached, and it seems as if neither party is listening to the other, misunderstandings can be cleared up at times if each party states the other’s point of view until the other agrees that it has been accurately portrayed.
Seven Common Barriers To Labor-Management Cooperation

“Seven Deadly Sins”

1. The inability to overcome history; forgetting or not recognizing that each party has a legitimate role to play.
2. Getting too far out in front of constituents.
3. Taking each other for granted.
4. The “maturity” factor (i.e., being overly judgmental; issues with authority; rudeness; unwillingness to confront our own and/or peers’ behavior; feelings of moral superiority; personal delusions of blamelessness).
5. Getting caught up in petty issues.
6. Repeatedly acting in bad faith; acting as if there is no future together.
7. Not identifying and demonstrating the value of taking the time to work together (What value would working together add?)

Twelve Tips to Help Overcome the Seven Deadly Sins

1. Look for common ground and work on those issues first.
2. Get to know each other, and try to view things from the other party’s perspective.
3. Expect that there will be some backsliding and mistakes and cut each other some slack.
4. If there is a difficult history, it may be necessary to start small and take one issue at a time to see if you can build trust.
5. Be willing to examine your own actions for fairness and emotional maturity (Seek feedback from those willing to tell you the truth).
6. Recognize the external pressures at times on the other party (Help with those when appropriate).
7. Try not to deduce the other party’s intentions from your own fears.
8. Listen and be willing to learn (remember “equity theory”).
9. Remember the solution to issues may not always have exactly equal results for both parties but may still be very beneficial to both.
10. Try to get input from each other; give a heads-up on important issues (no surprises).
11. Remember: “Wisdom is the art of knowing what to overlook.”
12. Trust the methods if you can’t trust each other.
Lessons Learned
From High Road Strategies
In Philadelphia, Las Vegas, Milwaukee, and Seattle