

# Integrated Change Does Work



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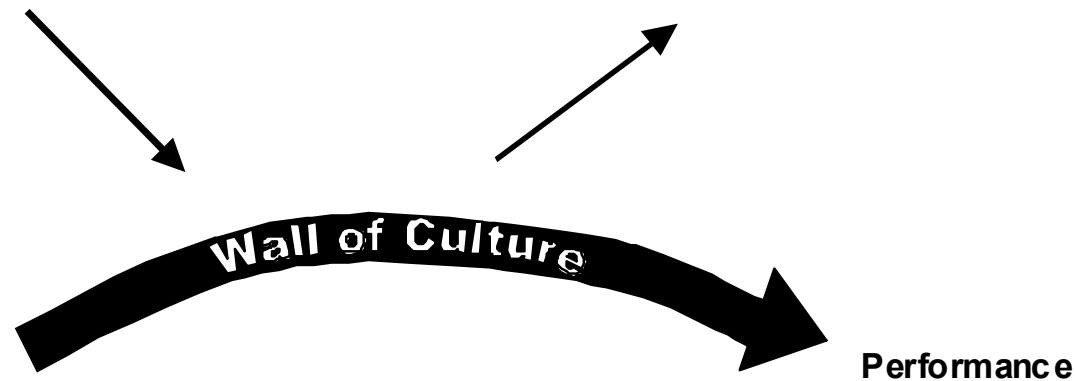
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\*This presentation is taken from M. Schuster, Keynote Speech. 21<sup>st</sup> U.S. Ecology of Work Conference, Louisville, Kentucky, June 10, 1998

# **Piecemeal Change Does Not Work: A Body in Motion Stays in Motion Until Forces Acting on It Bring It to Rest**

**Single Interventions  
One-Time Interventions  
Programs of the Month  
Poorly Defined & Executed Processes**

**Cannot Penetrate Culture  
Management Not Seen as Committed  
Lack of Clarity of Purpose  
Employee Cynicism  
Bounce Off**

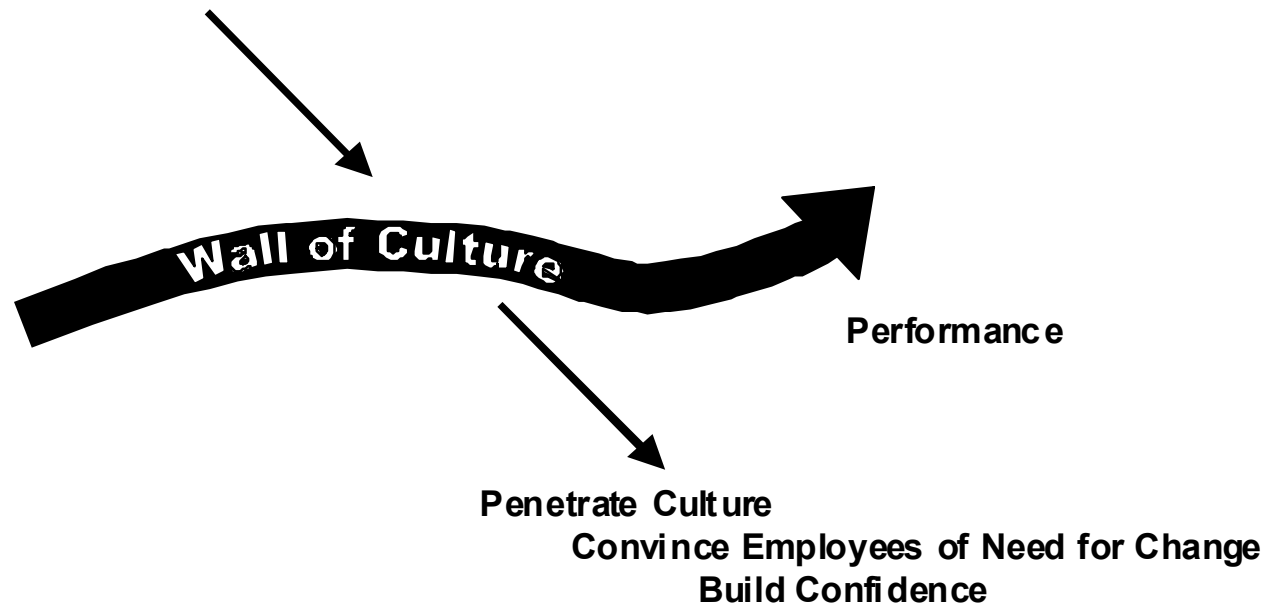


**Single interventions (piecemeal change) does not work to change organizations.**

**Source: U.S. Department of Labor, Competitive Human Resource Strategies, LLC.**

**Integrated Change Does Work:  
A Body in Motion Stays in Motion  
Until Forces Acting on It Bring It to Rest**

**Highly Focused**  
**Clear Goals and Purpose**  
**Well Thought-Out Design**  
**Effective Implementation**  
**Multiple Interventions**  
**Sustained Commitment**



**Multiple interventions, within a narrow window of time, sustained and reinforced, are required.**

## **Overcoming Obstacles to Successful Implementation of Contemporary Organization Strategies**

*Examples:*  
Re-Engineering  
Extensive Capital Technology  
Short-Cycle Production  
Focused Manufacturing  
New Market Segmentation  
Team-Based Organizations  
Total Quality Management  
Demand Flow Manufacturing  
J I T  
Globalization



**Obstacles to Success**

Organization Structure • Measures • Past Change Efforts

Management  
Competencies

Workforce Capabilities  
& Work Design

Workforce  
Behavior

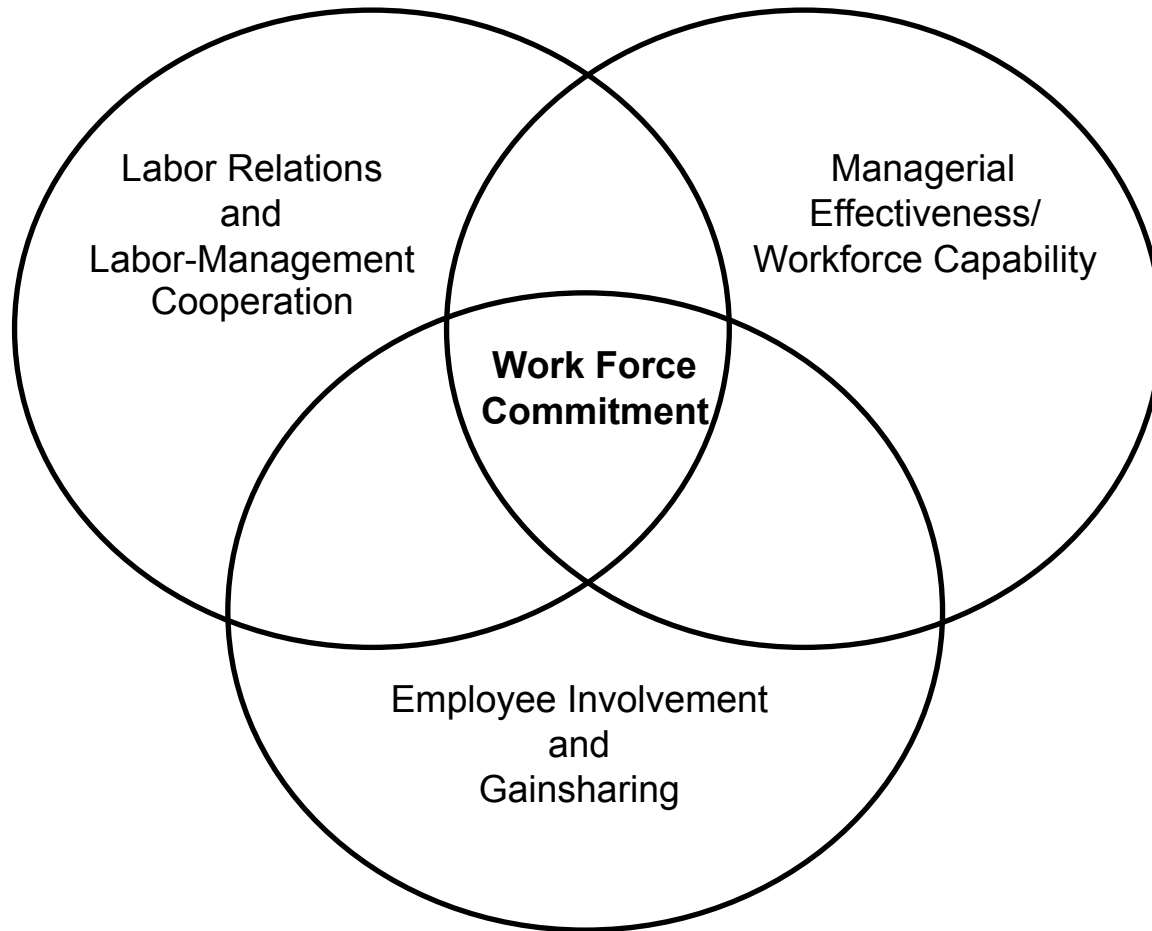
Labor  
Relations

Rewards



**Building Organizational  
Systems Capability  
and Implementation/Alignment Skills**

# A Systems View of Change in Union Settings



# Forms of Labor-Management Relations



**Adversarial:** Open confrontation as to the union right to represent the workforce and management's right to operate the business. The union openly (and behind the scenes) opposes managerial actions such as employee involvement. Management challenges union rights and responsibilities to represent the workforce. Personal relationships tend to be hostile.

**Bystander:** Union-Management relations in which the management directs the business and the union is free to criticize those decisions that they do not like. In bystander unionism, the union accepts no responsibility for the success of the enterprise. Management is content not to offer any. Interaction between the parties centers on contract administration.

**Supportive:** Supportive relationships contain union involvement in many work place decisions. The union supports management's efforts to insure the health of the business and is involved in many aspects of **operational decision-making**, such as TQM.

**Partnership:** Partnership relationships permit and encourage worker and union participation in **enterprise level** decision-making. Strategic issues such as business goals, mission and values, markets, customer requirements, capital allocation and budgeting, purchasing and sourcing, human resource planning, and employee selection are

typically partnership issues. Partnerships frequently address the issue of employment security.

## The Supportive and Partnership Processes

1. The company and the union **jointly** collaborate in problem-solving activities that are designed to:
  - A. Enhance performance of the organization
  - B. Improve quality
  - C. Reduce the adversarial nature of the union-management relationship
  
2. The effect of joint process is to:
  - A. Strengthen employee job security
  - B. Increase employee earnings
  - C. Improve safety and the quality of worklife
  - D. Strengthen union as an institution
  - E. Enhance managerial effectiveness

## **The Supportive and Partnership Processes** (continued)

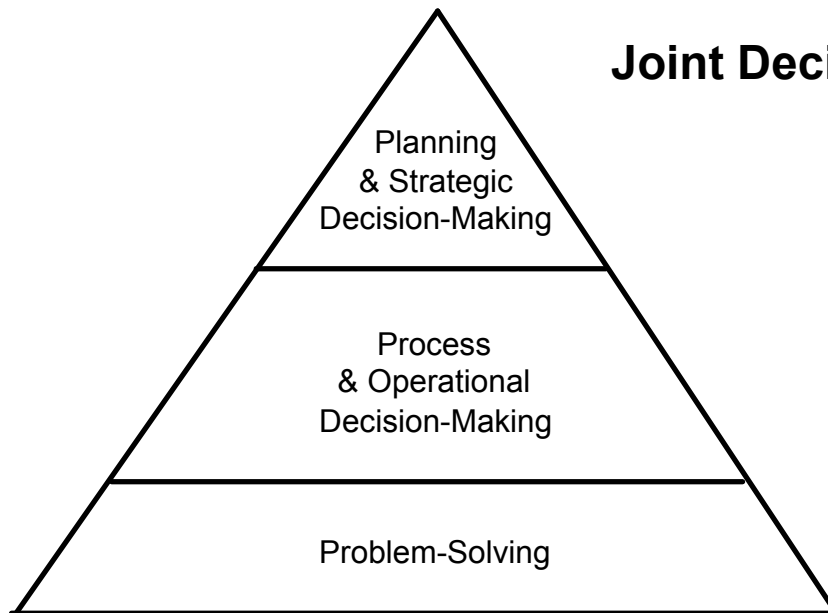
3. Joint union-management processes are most often evidenced by programs and policies such as:
  - A. Sharing of information
  - B. Labor-management committees
  - C. Worker participation and involvement
  - D. Safety committees
  - E. Gainsharing and profit-sharing
  - F. Expanded training activities

# Why Partnership Today?

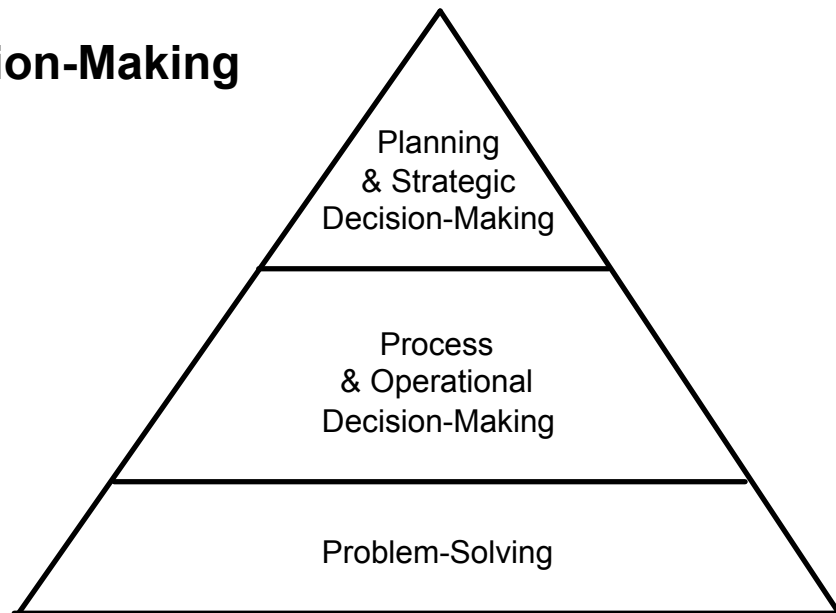
<b>Macro-Economic</b>	<b>Organizational</b>	<b>Societal</b>
<ul style="list-style-type: none"><li>• Competition</li><li>• Over capacity</li><li>• Off-shore</li><li>• Deflation in 1990's</li><li>• Stagnation in earnings</li></ul>	<ul style="list-style-type: none"><li>• Drive for quality</li><li>• Containing product costs</li><li>• Technology &amp; system changes</li><li>• Response time</li><li>• Shareholder expectations</li></ul>	<ul style="list-style-type: none"><li>• Changes in employee needs, values, and concerns</li><li>• Change in management philosophy</li><li>• Change in union philosophy</li></ul>

# Partnerships Change the Nature of Decision-Making

## Management Decision-Making



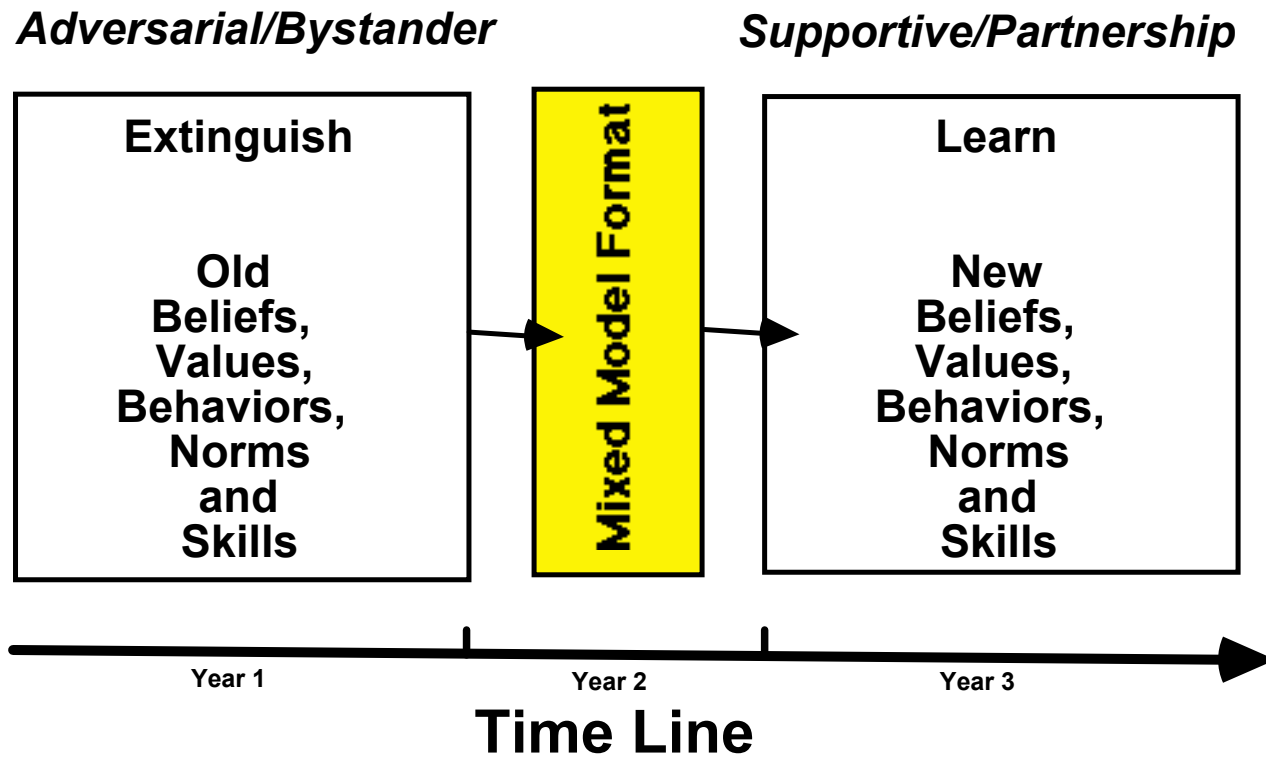
## Labor-Management Partnership Process



## Joint Decision-Making



# Relearning Labor-Management Behaviors



Takes time. Three-five years may be required.

# Partnerships Combine a Change in Process & Structure

## Adversary/Bystander Unionism

Beliefs



## Supportive/Partnership Unionism

Beliefs

Trust  
Shared Values by Management  
Participation by Union  
Management Offers New Role to Union  
Union Accepts New Role

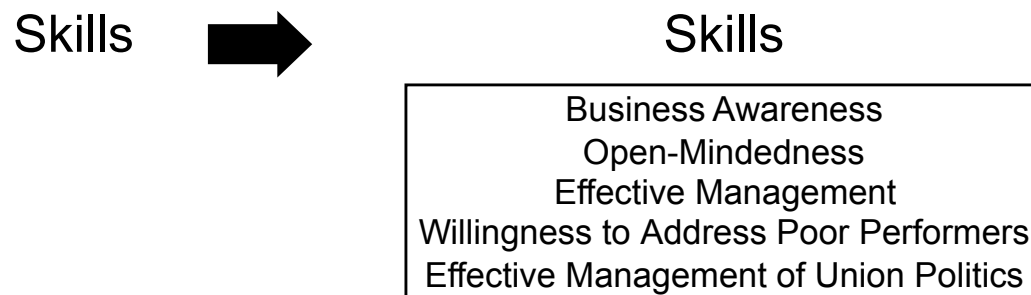
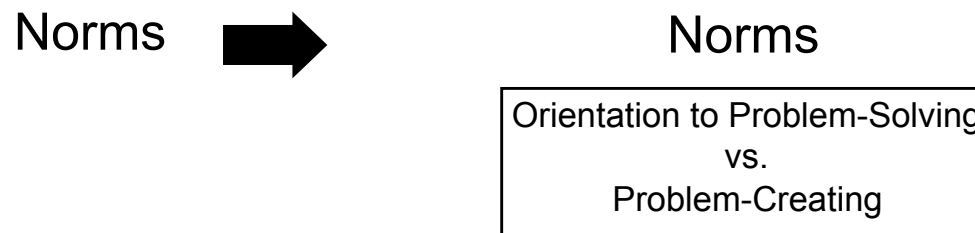
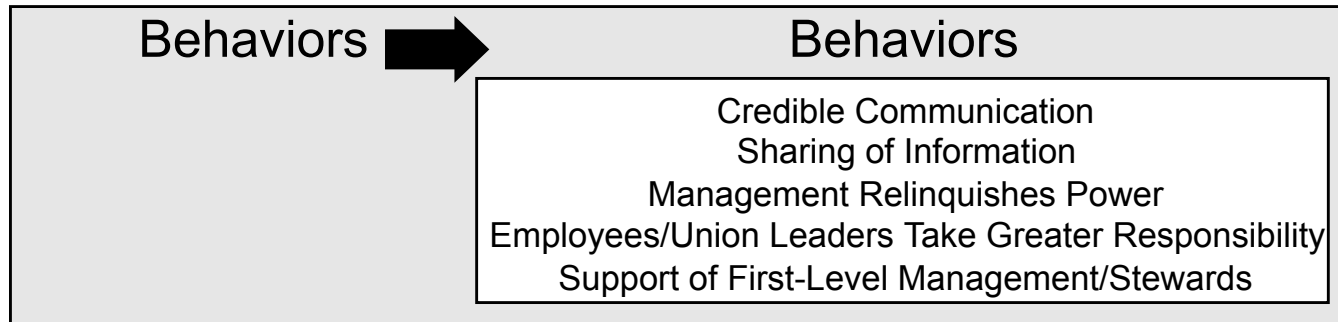
Values



Values

Equity  
Dignity  
Fair Treatment

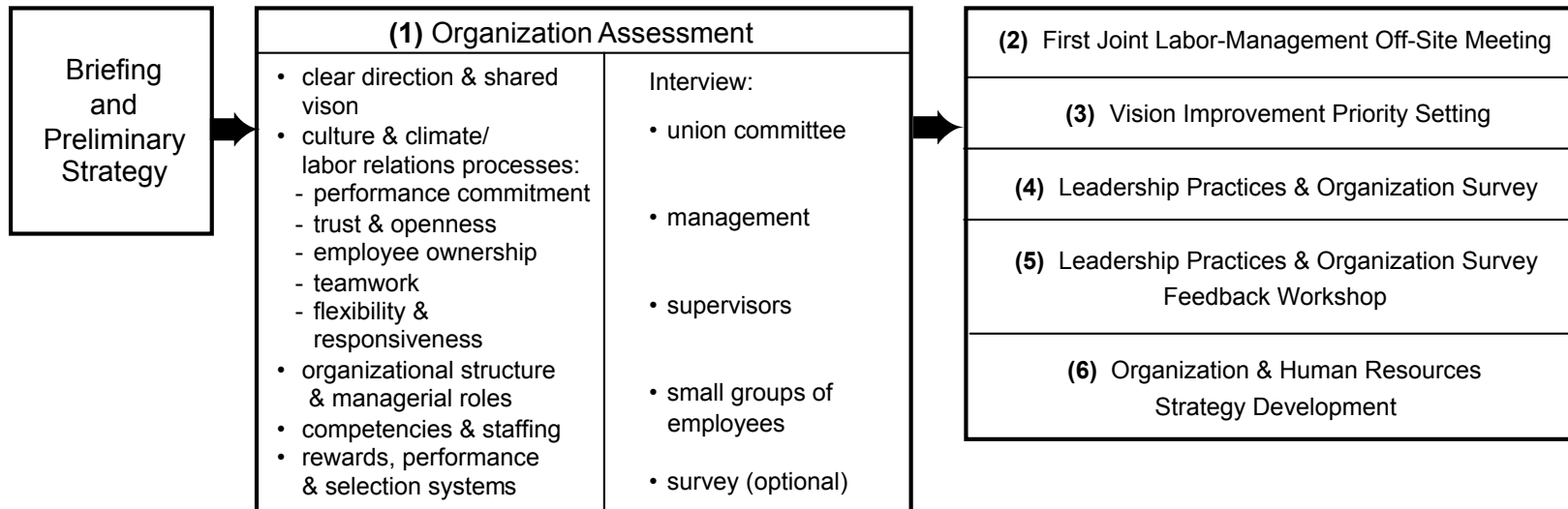
## Partnership Structure



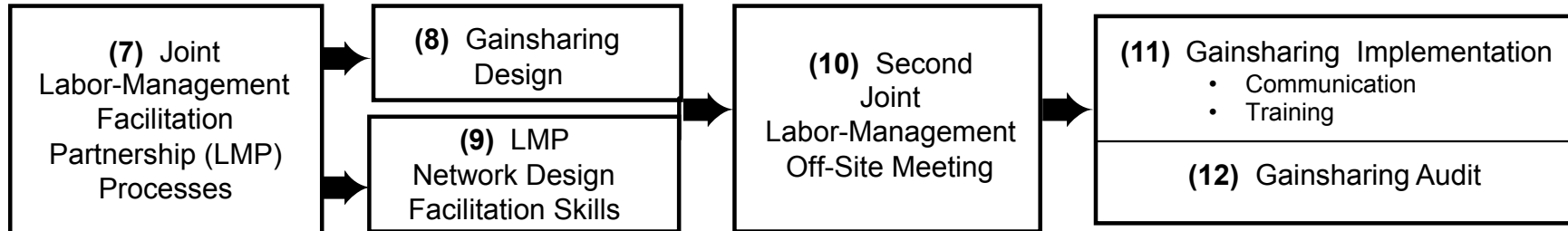
# The Change Road Map

- Assessment and Direction Setting
- Labor-Management Partnership Structure & Gainsharing
- Leadership Development (Management, Union Leaders, Supervisors, Stewards)
- Organization Structure, Work Redesign, HR Systems Redesign
- Negotiation of Next Labor Agreement

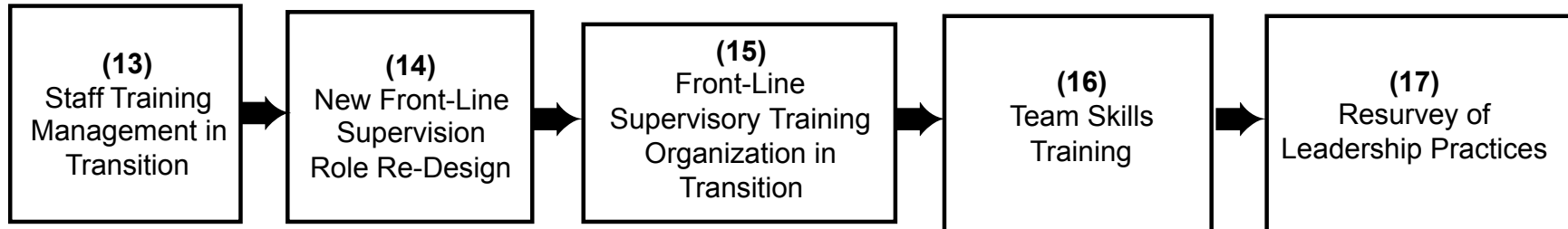
# The Change Road Map — Assessment and Direction Setting



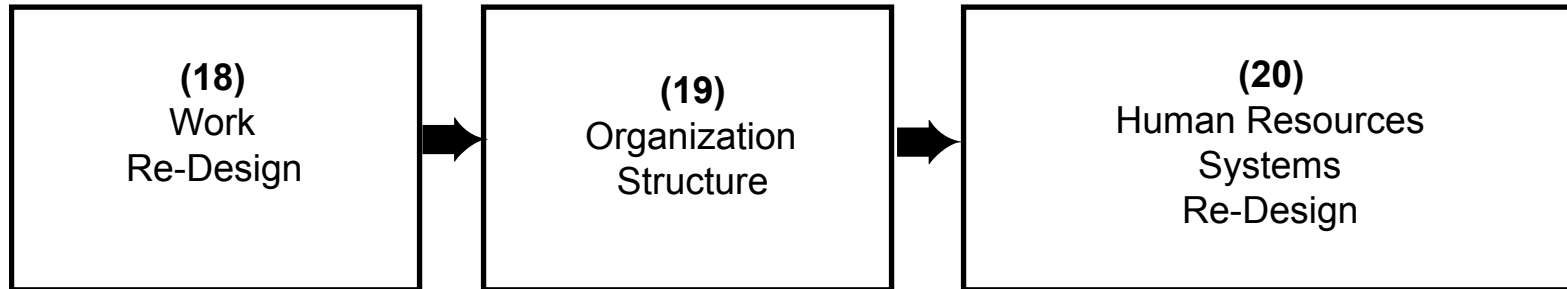
# The Change Road Map — Joint Union-Management Process



# The Change Road Map — Leadership/Human Resources Development



## The Change Road Map — Structure, Process, Systems Change



# The Change Road Map — Negotiation of Next Labor Agreement



## The Critical Role of Gainsharing

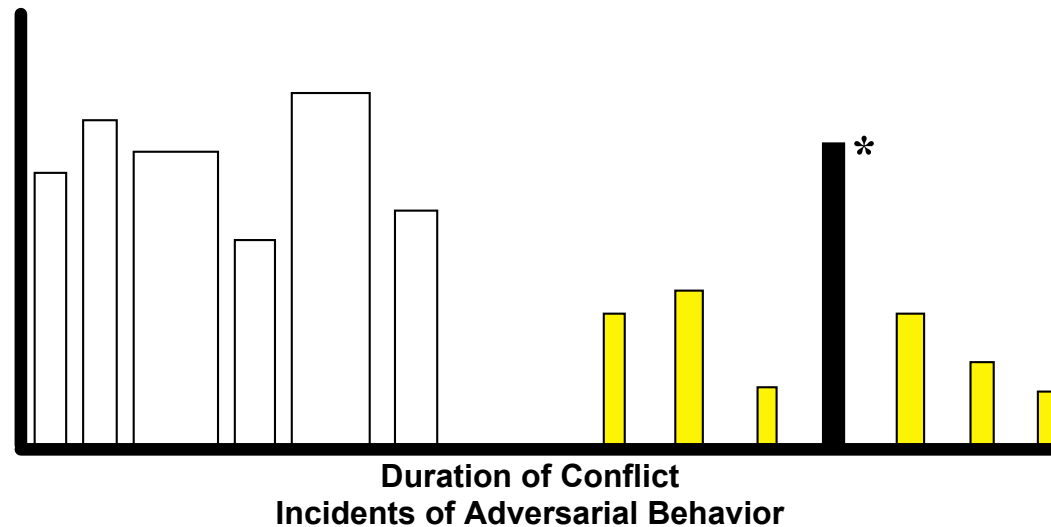
1. Provides reinforcement for key goals of union-management partnership
2. Links all organization stakeholders — hourly, salaried, and management
3. Increases business understanding and awareness
4. Directly rewards for union and employee involvement in partnership
5. Produces tangible results for union
6. Helps union leaders to deal with dissident members

# Partnership and Conflict in Labor-Management Relations

Intensity  
of Conflict

Before  
Partnership

After  
Partnership



- 1. Frequency:** How often adversarial, non-partnership behavior occurs
- 2. Duration:** How long does the issue linger before ill will subsides?
- 3. Intensity:** What is the degree of hostility generated by the issue? This is usually the last to change. It is also the one that is most likely to be used to judge improvement in the labor-management relationship as a result of conflict.

- \* The single intense issue will be cited as defining the success of the partnership relationship, in spite of its reduced frequency and duration.

## Conclusions

- Piecemeal Change Does Not Work
- Broad-Based Change Can Succeed in Changing Organizations
- System-Wide Changes Work Best
- Workforce Commitment is Key
- Supportive and Partnership Relationships are Way of the Future
- Partnerships Change the Nature of Decision-Making in Organizations
- Must Have Both a Process and Structure for Change
- Five Step Road Map Over 3-5 years
- Gainsharing is Critical
- Getting Through the Next Contract is Essential
- Some Conflict Will Remain

- Requires Labor-Management Commitment