

Integrated Change Does Work



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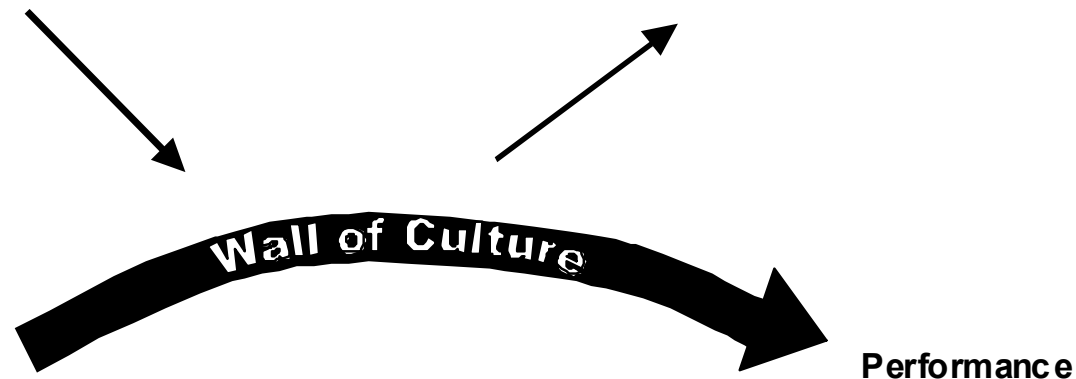
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Piecemeal Change Does Not Work: A Body in Motion Stays in Motion Until Forces Acting on It Bring It to Rest

**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**

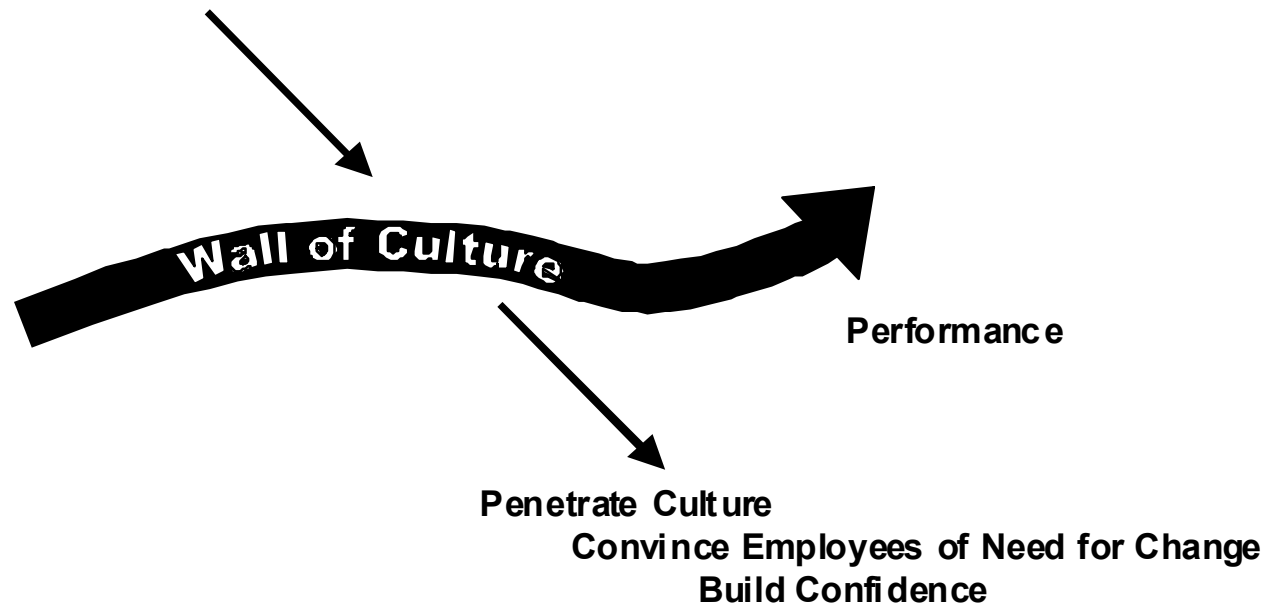


Single interventions (piecemeal change) does not work to change organizations.

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

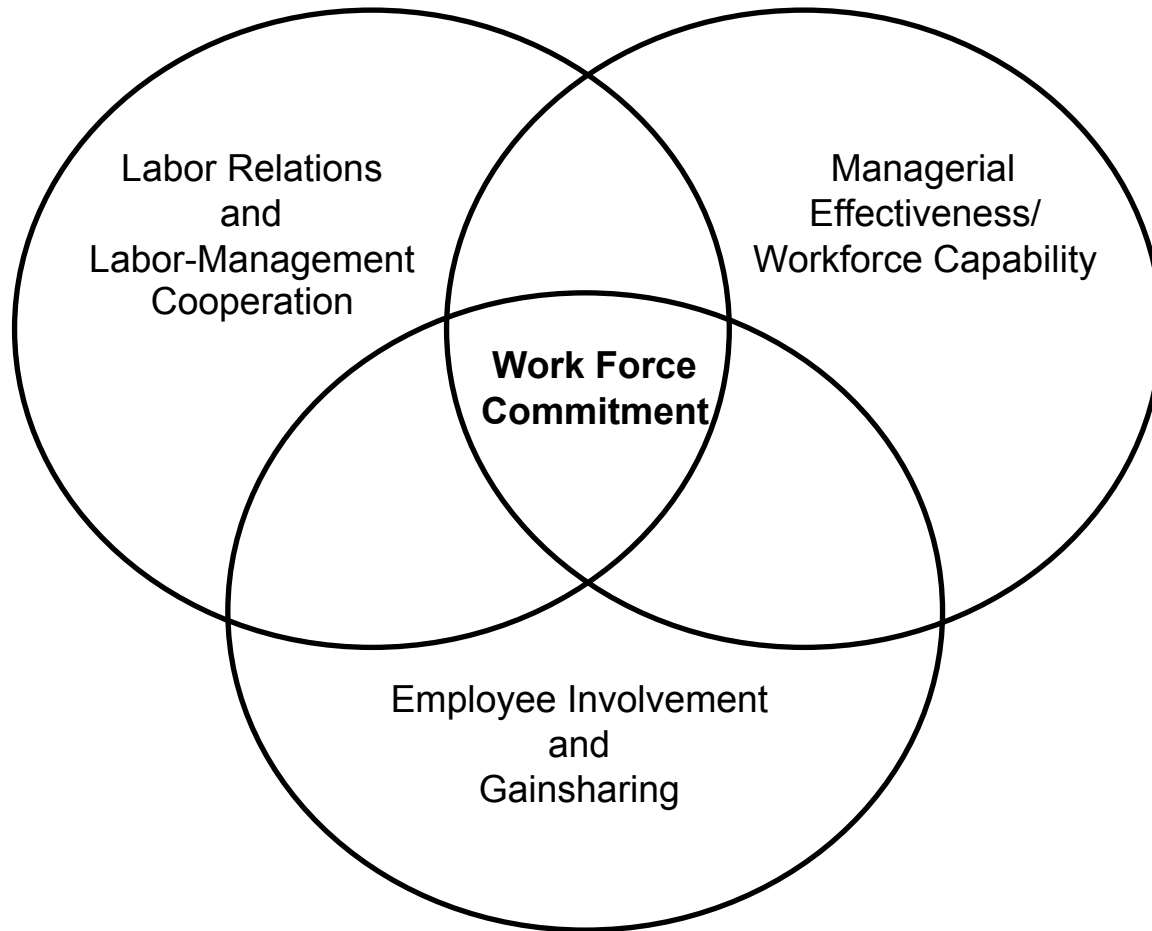


| Obstacles to Success | | | | |
|-----------------------------|--------------------------------------|--------------------|-----------------------|---------|
| Organization Structure | | • Measures | • Past Change Efforts | |
| Management Competencies | Workforce Capabilities & Work Design | Workforce 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)

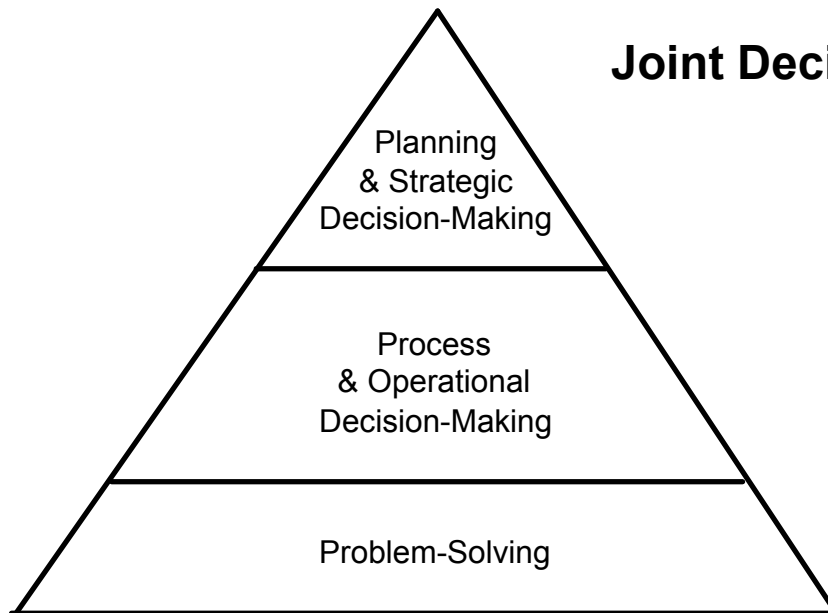
3. Joint union-management processes are most often evidenced by programs and policies such as:
 - A. Sharing of information
 - B. Labor-management committees
 - C. Worker participation and involvement
 - D. Safety committees
 - E. Gainsharing and profit-sharing
 - F. Expanded training activities

Why Partnership Today?

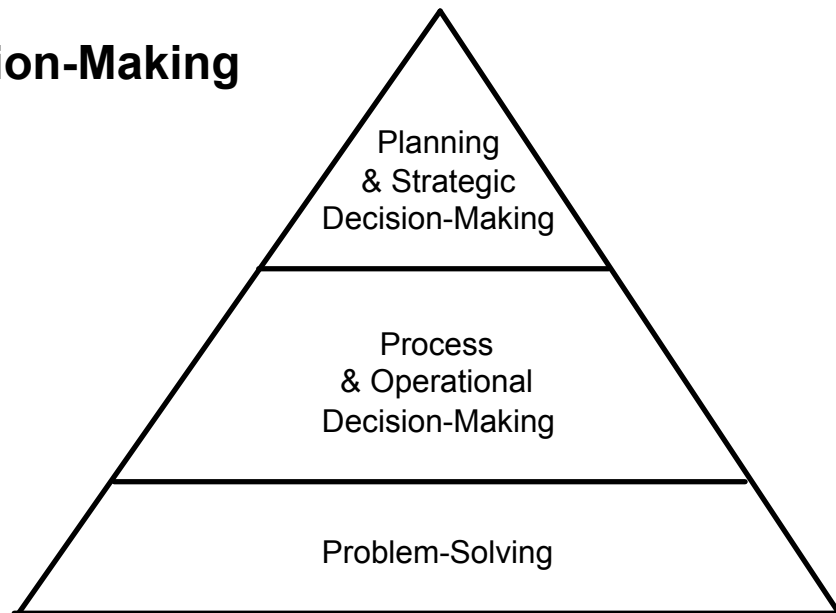
| Macro-Economic | Organizational | Societal |
|--|---|--|
| <ul style="list-style-type: none">• Competition• Over capacity• Off-shore• Deflation in 1990's• Stagnation in earnings | <ul style="list-style-type: none">• Drive for quality• Containing product costs• Technology & system changes• Response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

Partnerships Change the Nature of Decision-Making

Management Decision-Making

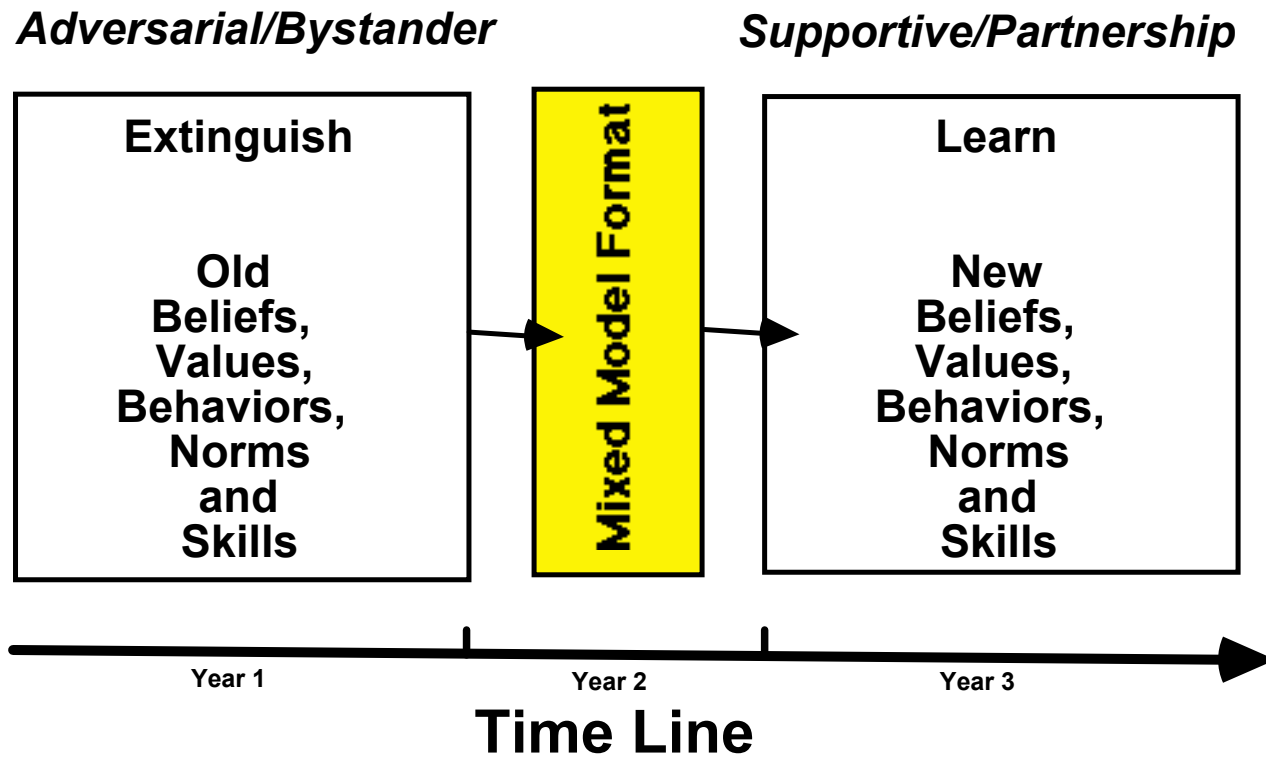


Labor-Management Partnership Process



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

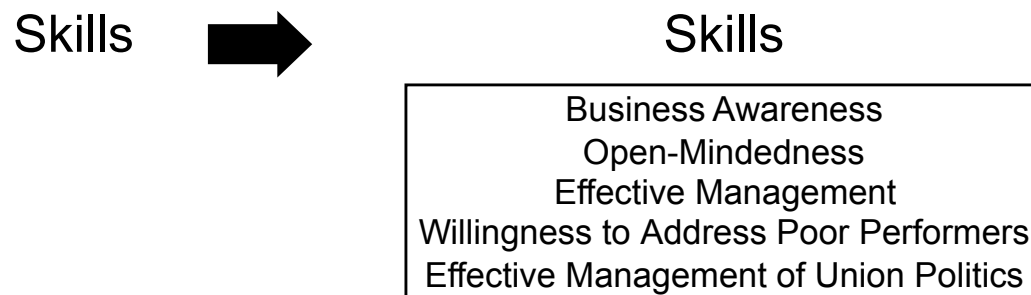
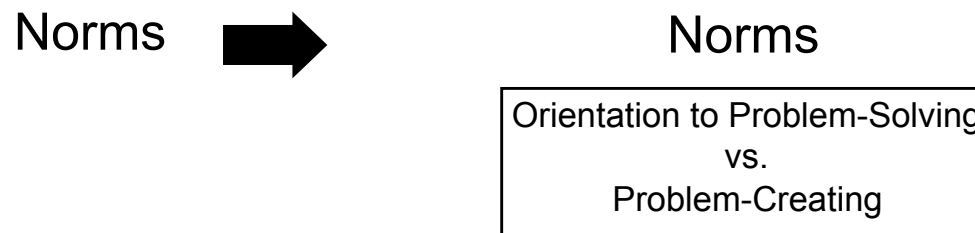
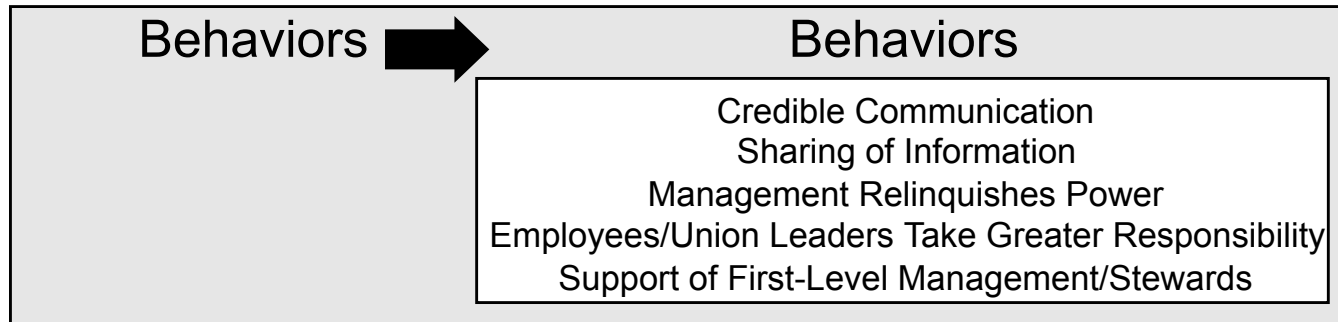
Values



Values

Equity
Dignity
Fair Treatment

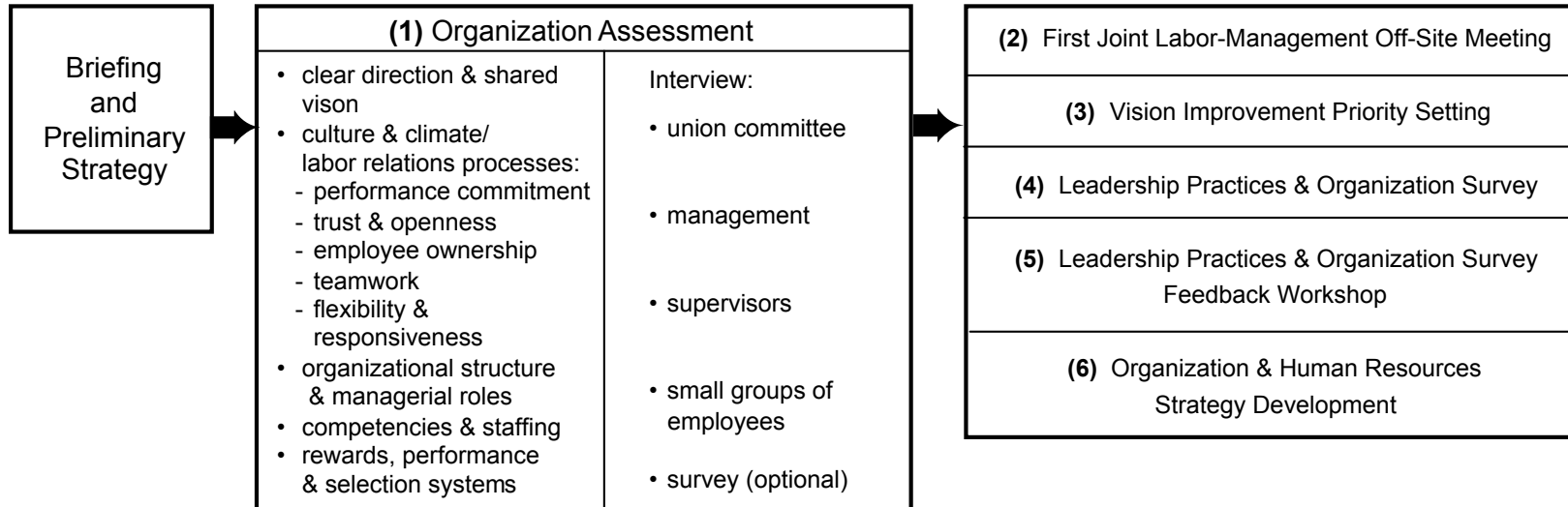
Partnership Structure



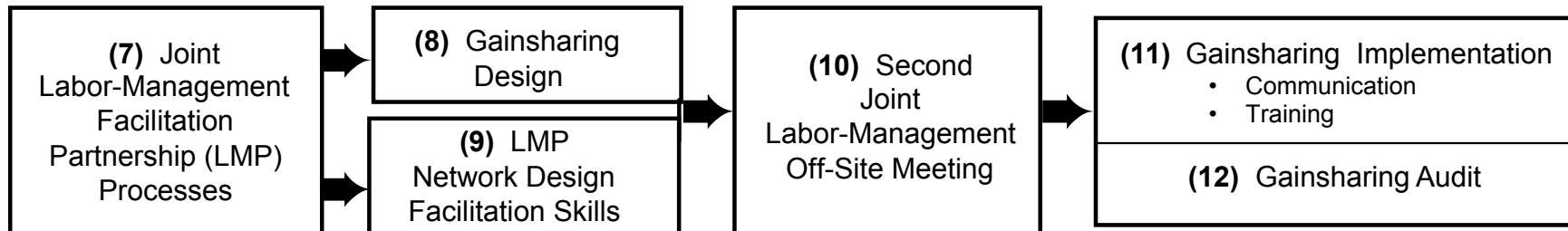
The Change Road Map

- 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

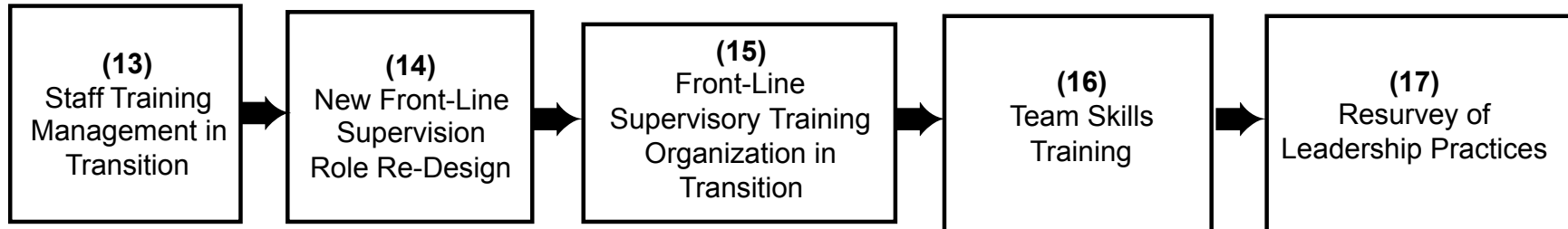
The Change Road Map — Assessment and Direction Setting



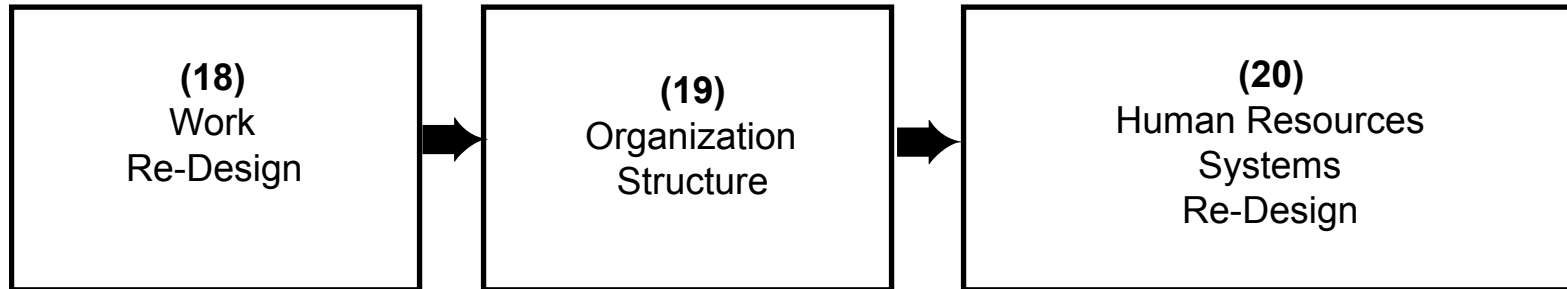
The Change Road Map — Joint Union-Management Process



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

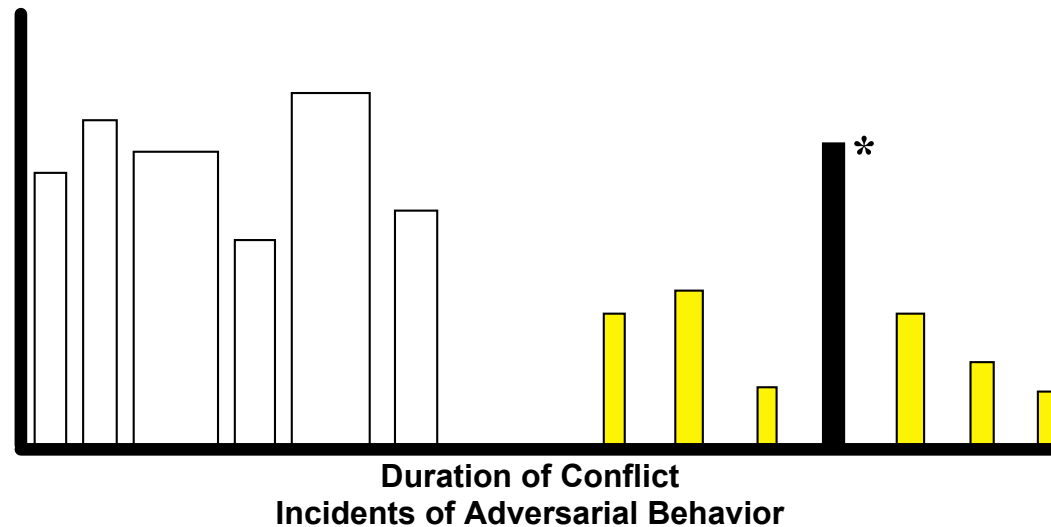
1. Provides reinforcement for key goals of union-management partnership
2. Links all organization stakeholders — hourly, salaried, and management
3. Increases business understanding and awareness
4. Directly rewards for union and employee involvement in partnership
5. Produces tangible results for union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