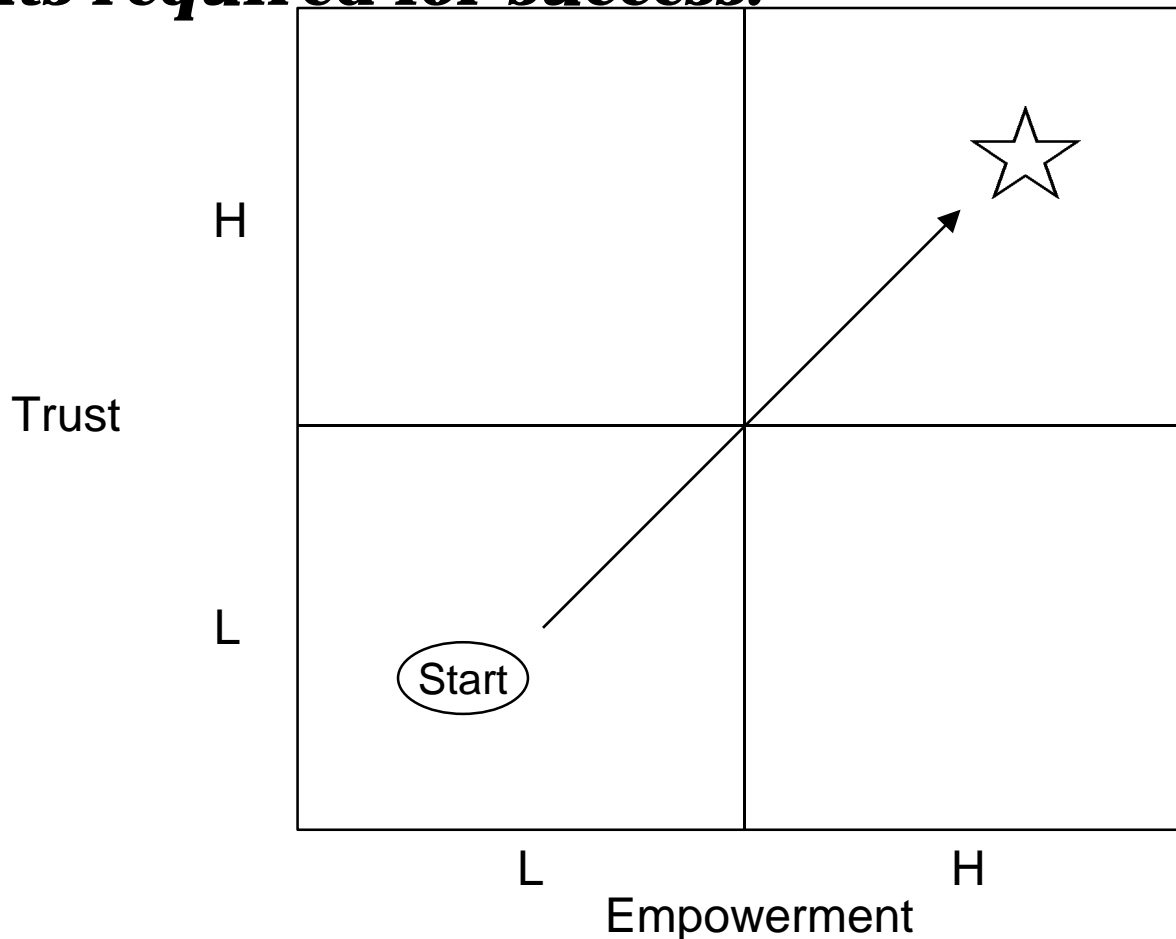


***Applying Decision Tools When Implementing  
Strategy in a Union Environment***

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May 7, 2000

***Many strategy implementation efforts that occur in a union environment do not begin with the necessary elements required for success.***



Trust and empowerment are fundamental principles required for applying decision tools.

***One of the first tasks in a strategy implementation, then, is to evaluate - and potentially reposition - the management-union relationship so that decision tools can be applied.***

- Generate a shared perspective on what would make the labor-management relationship in the implementation effort more effective and productive for both parties
- Provide an avenue to express and learn the concerns of labor leadership and membership
- Create a climate where those who are skeptical or reluctant about a better labor-management relationship can honestly express and deal with their concerns
- Broaden involvement in organizational change and create a supportive environment for positive change
- Identify the barriers to realizing a better relationship, and
- Develop clear plans to fully implement a better relationship

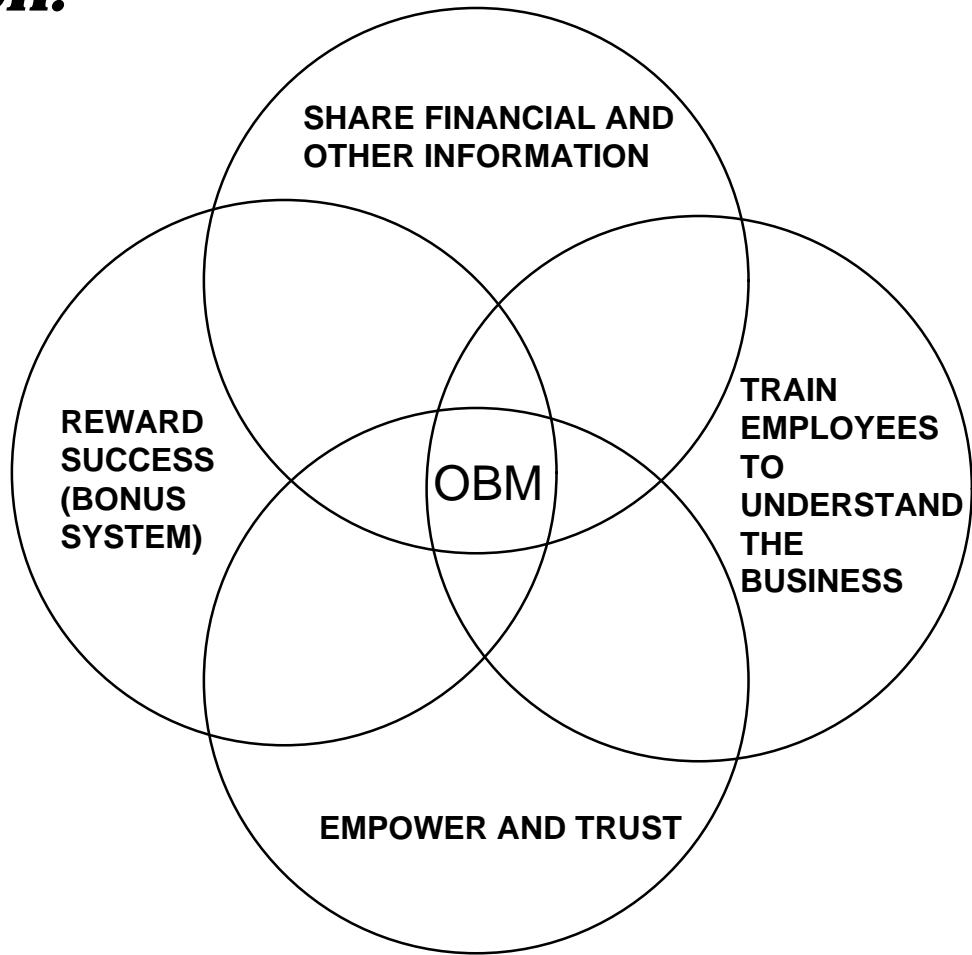
A different, more rudimentary, set of decision tools need to be co-developed and applied.

***In a union environment, an important, interrelated process in the strategy implementation effort is to define a sustainable management-union relationship and decision making process.***

- Step I--Define the Best Possible Union-Management Relationship
- Step II--Address the Current Relationship
- Step III--Identify Barriers to Moving Toward the Best Possible Relationship
- Step IV--Identify Each Party's Interests and Unilateral Actions for Improvement
- Step V--Identify Joint Interests and Actions for Improvement
- Step VI--Establish Strategies, Structures, and Plans for Improvement  
and Communication
- Step VII--Review Accomplishments, the Current Relationship, and the  
Description of the Desired Relationship (Ongoing)

It is critical that management and the union are working on the same implementation effort.

***More basic decision tools are often needed to identify the value and impact an implementation program can bring to the union - as well as the rest of the organization.***



**Open Book Management (OBM), as pioneered by Jack Stack at the Springfield ReManufacturing Company, is a very powerful tool to align the union with the interests of the organization.**

***There are four interdependent steps that must be communicated in Open Book Management to bridge trust gaps.***

Element Missing	SHARE	TRAIN	EMPOWER	REWARD
SHARE		No need for training if no sharing? Training in what?	No feedback; decisions will be uniform	Reward will be arbitrary; management will appear untrustworthy
TRAIN	Will not understand or will misunderstand information; possible chaos		Will not know how to use information	Will not understand how to increase reward
EMPOWER	Can't affect numbers; satisfies curiosity only	No need for training if no empowerment; empty		Can't affect bonus; passive recipient
REWARD	No stake; satisfies curiosity only	No stake; no need for training	No stake; no incentive for action	



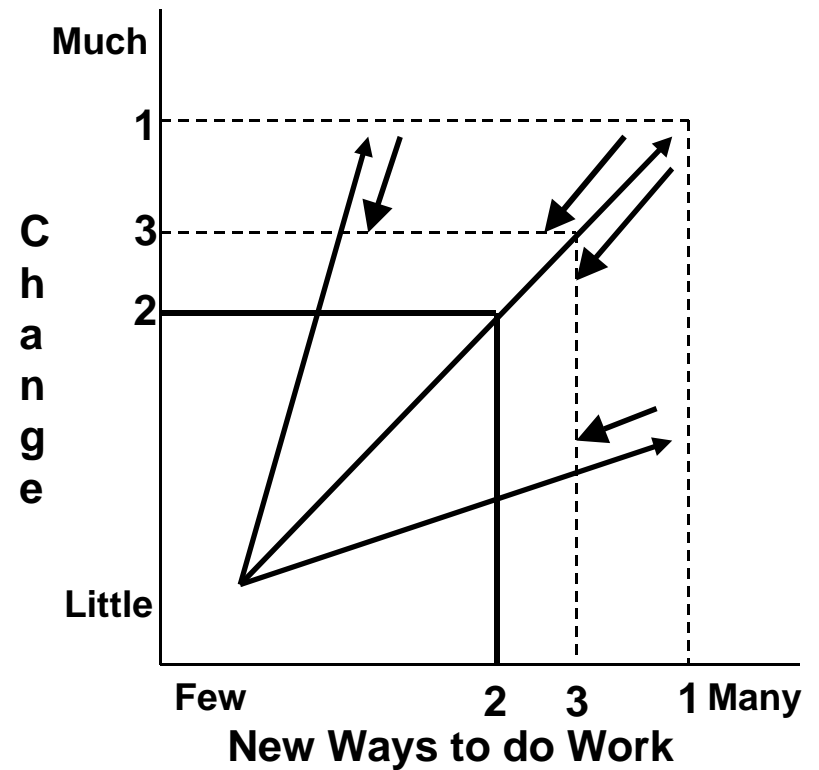
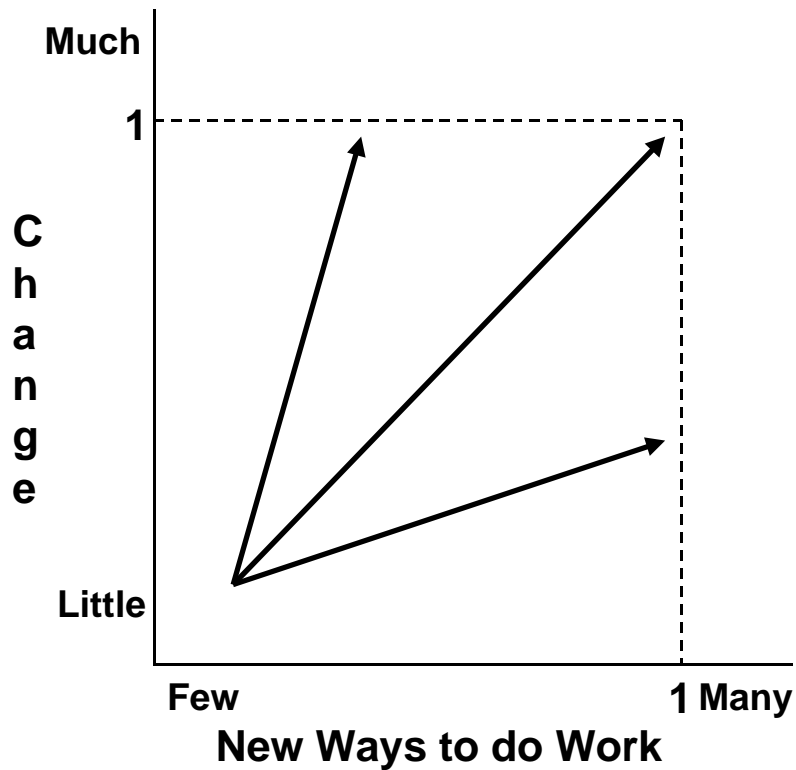
Adapted from Shenkir, William G., and Thomas L. Barton. "A New Small Business Order." In Performance Management in Small Business. New York: International Federation of Accountants, 1996:120.

***In addition to education, the union will want to contribute when they see that decision making rules are being followed, they understand the rules, and they are invited to modify the rules with management.***

- An organized sequence of tasks and activities
- Focused on a specific outcome
- Produce predictable and consistent results
- Can be re-used with confidence
- A dependable roadmap to an objective, not a description of the end result

Conversations need to be frank, honest, and free from technical jargon. Clarity in communication is key for success.

***Establishing this new relationship will allow for a dialogue that will expand the efficient frontier of change and new ways of doing work called for in the strategy implementation.***



- 1 - Efficient Frontier Identified for Maximum Implementation Effectiveness
- 2 - Union Defined Efficient Frontier
- 3 - Organizational "Unconstrained" Frontier

***Jointly, management and the union have to discuss the issues that concern the entire union constituency and co-develop a decision tool for addressing these issues.***

Stakeholders	Issues	Plan to Address	Communicate	Intervention	Education & Training
Both Union Leadership and Membership	Fear of change	Listen, understand culture	Y	Y	?
	Fear of implementation program	Listen, understand, training	Y	Y	Y
	Not Politically Correct to cooperate with management	Communicate mutual benefits for management, leadership, and membership	Y	Y	N
	Will company and/or plant be sold	Nothing - out of scope	Y	N	N
	Lack of empowerment in implementation program	Follow the process, use all input	Y	N	N
	<b>Communication of implementation program and results in “consultingese”</b>	<b>Develop, execute effective, multi-faceted communication program in words that individuals can easily understand and relate to</b>	<b>Y</b>	<b>Y</b>	<b>N</b>
	Divisional, Ccorporate, and /Mgmt Commitment	Communicate commitment & involvement of divisional leaders	Y	N	N

***Similarly, they have to develop an understanding of issues that concern specifically union leadership . . .***

Stakeholders	Issues	Plan to Address	Communication	Intervention	Education & Training
Union Execs	Loss of membership (number paying dues)	Be honest, candid	Y	N	N
	Future will be based on an extension of the past	Articulate how past behaviors are not acceptable for future success; design appropriate communications	Y	Y	Y
	No trust in senior management	Work to get participation, be honest, follow through on commitments	Y	Y	N
	History: Program of Month	Focus on present, why this is different	Y	N	N
	<b>Conflicting side activities become part of implementation effort</b>	<b>Maintain distinction, ID issues, respond</b>	<b>Y</b>	<b>Y</b>	<b>N</b>
	<b>Changing roles: established leadership power base is threatened</b>	<b>Be honest, candid; show value in working together</b>	<b>Y</b>	<b>Y</b>	<b>N</b>
	Process not needed, just cut (management) salary	Communicate why it is needed	Y	N	N
	<b>Use of junior employees in implementation effort (seniority)</b>	<b>Not a factor in design</b>	<b>N</b>	<b>N</b>	<b>N</b>

**. . . and specific issues for the union membership - which in some areas are different.**

Stakeholders	Issues	Plan to Address	Communicate	Intervention	Education & Training
Union Membership	<b>Changing roles to positions of more accountability</b>	<b>Point to competitive landscape; articulate corresponding empowerment</b>	Y	Y	N
	Job security	Create esprit de corps; all – union and management – have to pull together	Y	Y	N
	No trust in middle management	Work to get participation, be honest, follow through on commitments	Y	Y	N
	Threatened by contractors	Be honest, candid, communicate design	Y	Y	N
	Flexibility increase	Communicate analogs at other, similar shops	Y	Y	N
	<b>Continuing relevance of union leadership</b>	<b>Advise open dialogue with leadership; do not be directive</b>	Y	N	N
	Need to upgrade job skills	Communicate need to compete in more global environment	N	N	N

***Whatever the relationship with the union was in the past, it is important for a successful strategy implementation to build trust, engage in honest dialogue, and make informed decisions together.***

<b>Do Not</b>	<b>Do</b>
Ask for feedback, and then do not address it	Explain the role of feedback and how it will be used
Rely on theoretical, conceptual charts and visuals to generate buy in	Create stories that resonate with individuals
Impose messages from middle level and senior managers only	Identify “Influencers” who will take message into the union environment
Accept sole responsibility for success of program	Place ownership on the entire organization (which means changing behaviors)
Placate short-term demands with unrealistic promises that cannot be delivered	Address issues in a timely and consistent fashion (engender a sense of ownership)
Deliver a stated direction, unsubstantiated with any reasons	Be sure to generate buy-in and explain why a direction has been chosen, what other alternatives were looked at, and why the stated direction makes sense
Assume that “once is enough”	Repeat, repeat, repeat

## ***The benefits of this aligned approach for both union leadership and membership are far reaching.***

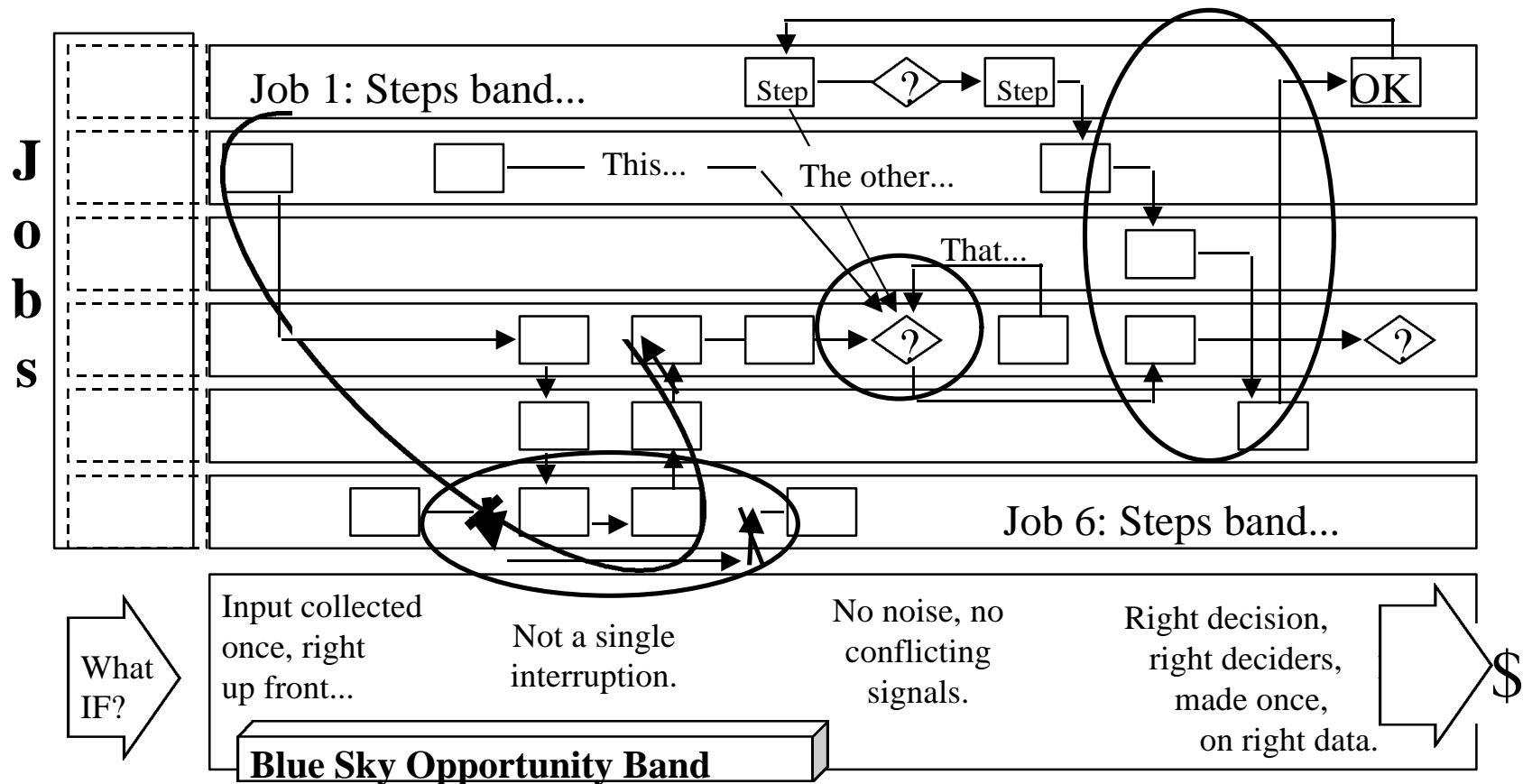
- Most workers like the characteristics of new work systems better
  - They contribute in the decision making process
  - Less supervision
  - More decision making opportunities
  - Connects them to the whole production process
  - Get immediate feedback and recognition of improvements
  - Workers gain dignity and self-esteem through more responsibility
  - Broadens workers' marketable skills
- Union leadership also benefits
  - Unions with track record of success can offer new value to unorganized workers
  - Can be used to help build a stronger union
  - Provides continuing relevance for union leadership

***However, there are more risks to union leadership than to their underlying membership.***

- Unions have to restructure themselves to support the new strategy
- Leadership has to determine how their participation will impact upcoming labor negotiations
- Management may not be willing to share power or gains with union leadership
- Change is difficult for everyone
- The membership may not understand the need for change or the union's new strategy and tactics
- Management is unlikely to recognize the needs of the union as an institution, as distinguished from those of workers
- The leadership of the local must also be aware of the impact of its participation with goals of the national union leadership

# ***Appendix***

# *Work begins to optimize those processes identified*



## ***Simple example (I)***

Joe woke up this morning and was looking forward to a good day. He had recently gotten his hands on Trailblazers tickets and was heading down to Portland with his teenager to catch this evening's game. It was a new season and tonight's game with the SuperSonics would prove to be an exciting one. He was hoping to get there a little early to get parking on a local street rather than at the arena, thus saving himself a few bucks (which meant a couple extra hot dogs). Additionally, since it was Bill Walton night, the first 5000 fans to arrive would receive Bill Walton autographed basketballs, sure to be a collector's item that would look good in Joe's recreation room. He figured if he left the mill by 4:00, he would have plenty of time to be in town by 6:00.

Caught daydreaming, he rushed out of the house to make sure he got to work on time. As a matter of fact, he was moving so quickly he forgot his lunch! He looked at his gas gauge and saw what he expected any time he loaned the car to his elder teenager - fumes. "How many times must I tell these kids, you use the car, you fill it up with gas. It's as if I'm speaking Greek to them!" he thought. "They just don't get it."

At 10:00 AM Joe ran into a couple of his buddies who asked him to head out with them at lunch to play basketball. "What better way to get pumped for a ball game than shooting hoops," thought Joe, as he agreed to meet his buddies to play between 12:00 and 12:30. Jay was going to head to the deli to pick up sandwiches so Joe gave him money for both his and another buddy's lunch.

## ***Simple example (II).***

At 4:00PM Joe left work. He was to pick up his teenager over at a friend's house across town on the other side of the construction project. As he turned the ignition, he remembered he was on fumes. "That lousy kid!" Not to worry, however, the gas station with the cheapest gas in town was on the way. But he then remembered it was cash only and he wasn't planning to hit the cash machine until after he got to Portland. Since he had fronted lunch for himself and his buddy, he was out of dough. This would mean an additional stop at a cash machine. After cashing up, he headed to the gas station. When he arrived, he had to wait because there were five cars in front of him (this used to be the best kept secret in town and there were never lines). Since he was literally on fumes, Joe decided to wait it out rather than chance running out of gas.

After he filled up, he headed across town to pick up his teenager. As he approached the highway he needed to cross to get to his teenager's friends house, he was disappointed to see that they were pouring concrete this particular afternoon. The road crew was stopping traffic and alternating the passage of cars in each direction. When his turn came, he crossed the road and traveled the half mile to pick up his teenager. After picking him up, he was finally on his way. But not for long.

About a half hour into the journey, around Cornelius Pass, he heard a pop coming from the rear of the car. The car started dragging and he quickly realized he had a flat tire. After having the car for five years what a time to get his first flat. Needless to say, by this time he was beginning to lose that good feeling he had woke up with! He looked for a safe spot to pull over on the shoulder. After he stopped on an inclined shoulder, he barked to his teenager to get out of the car and stand in the bushes so as not to get hurt. He opened the trunk. Underneath the softball gear (in there since last season) and the clothes he had promised to take to goodwill for his wife (in there since last month) was the jack and spare - somewhere.

## ***Simple example (III).***

After unloading the trunk, Joe found the spare (actually a doughnut which was technically only good for 50 miles). After spending a couple of minutes trying to locate where the jack fit the frame, scrounging through the woods looking to find a flat rock to rest the jack on, and locating another rock to chock the wheel, he began wrestling the lugs with the stock tire iron that came with the car. Between a couple of rusted lug nuts and lug nuts that the mechanic used an air gun to tighten, Joe really had to work to get the tire off. He was slowly working himself into a frenzy as realized he wouldn't be getting a free spot or getting a Bill Walton basketball, let alone even make it to the game on time. It didn't help that his teenager kept shouting from the woods wondering when they would be ready to roll. As he finally replaced the flat with the doughnut he quickly put the lug nuts on.

Without really paying attention, he snugged them up and dropped the jack just enough to rest the wheel on the ground to finish tightening the lug nuts. It was at this point that he realized he had put the doughnut on inside out! This meant jacking the car up, loosening all the nuts and dropping the car again to finish tightening the nuts. He threw the flat in the trunk. Since it was bigger than the doughnut that had been in there, all of the other gear in his trunk no longer fit. After trying to squeeze it all in and trying for a few minutes to do so, he finally realized it would not all fit. He really didn't want to leave anything in full view in the car, but he was forced to toss some of his softball equipment in the back seat. This made him a little nervous because there had been a recent rash of break-ins by the arena. Finally, he beckoned to his teenager to hop in and they on there way.

Joe and his teenager did not get the free street parking, ran into a long line getting into the arena parking lot, were forced to park the farthest possible distance from the arena, did not get a Bill Walton autographed basketball, and ended up missing the first quarter.

When Joe lay in bed that evening he reflected on the activities of his day. What had started out with the potential to be a good day ended up as a needlessly complicated, stressful day. "Surely I could have worked smarter!" he thought to himself as he drifted off to sleep.