

CREATING “WIN-WIN” SITUATIONS: THE CASE OF ONTARIO COUNTY

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From the report, *Aspiring to Excellence: Comparative Case Studies of Public Sector Labor-Management Cooperation in New York State*

Department of City and Regional Planning, Cornell University, June 1998

Twenty years ago in Ontario County, labor-management relationships were confrontational, and walkouts during contract negotiations were not uncommon. Ontario County was then one of several New York counties to have legislative determinations (the Board of Supervisors could impose contracts on the bargaining units), a practice that was very unpopular with employees and was later discontinued. Beginning in the 1980s, changes in management and union leadership led to a new interest in building “win-win” situations that characterize today’s more cooperative labor-management relations in Ontario County. The county has built cooperation through a variety of structures and tools, including labor-management committees, a “Service Excellence” total quality management program, and mutual-gains bargaining.

The following people were interviewed for this study:

- Edward Grace, County Administrator
- Geoffrey Astles, Deputy County Administrator
- John Garvey, Human Resources Director
- Robert Russo, President, CSEA Unit #7850

LABOR-MANAGEMENT COMMITTEES

Since the early 1980s, *labor-management committees* have been key for developing successful day-to-day labor-management relations. These committees function at countywide and departmental levels and around specific issues, such as safety and health. The committees provide an opportunity for workers to bring their issues to the highest level of management in the county. Currently, the county administrator, the deputy administrator, the director of human resources, and several local union presidents sit on the countywide committee. County administrators say they are gradually decentralizing the work of these committees so that individual departmental committees handle most of the work.

The committees meet monthly and have dealt with many day-to-day workplace issues, such as work scheduling, flexible hours and overtime, procedures for dealing with employee absences, and treatment of employees by supervisors. They also deal with long-range planning issues related to the workplace. For instance, prior to the recent construction of the new human services building, the countywide committee met with the architects to develop a building program that suited their needs. Committees do not deal with the largest contractual issues, such as compensation and benefits. Agencywide

committees have formed in the Social Service and Public Works Departments, and a committee is currently forming in the County Nursing Home.

County managers laud the committees as being very effective. Although it sometimes takes a couple of months for people to get used to the idea and build trust, both labor and management agree the committees are useful in solving daily issues. Now issues don't build up until contract renegotiation. Instead, a letter of agreement can be issued, ultimately allowing for a smoother bargaining process. In fact, one union leader reported that the existence of the labor-management committee was a form of "preventive medicine" that allowed him to resolve more workplace problems as they occurred. Labor-management relations were so improved by the committees that he did not have to bring many minor issues to the committee meeting. Officials also point to a reduced number of employee grievances filed, which is likely a result of the committees' efforts. For both labor and management, this means increased time to deal with matters other than labor disputes. Furthermore, labor was able to achieve its goal of gaining greater employee involvement in the decision-making process.

One drawback of the committees is that they effect a loss of authority for middle managers that some resent, since employees are now empowered to bring their concerns directly to the highest level of management. Furthermore, the county only trains the top labor and management leaders in the concepts and techniques of labor-management committees, effectively shutting out middle managers from the process. However, despite middle managers' resistance, both labor and management leaders view the committees as successful endeavors. County leaders say they are taking steps to train middle managers in cooperative processes with the goal of getting them to buy into the new structures. However, training is expensive, and so it may not be possible to train every manager unless proven necessary for success.

THE SERVICE EXCELLENCE PROGRAM

Another cooperative initiative that has been successful in Ontario County is the *Service Excellence Program* (also known as total quality management or TQM). This program was initiated in 1993 with union participation in order to promote "customer satisfaction by continuous improvement through employee involvement." Initially both labor and management leaders as well as county legislators were trained by Rochester Institute of Technology staff. Initial training cost \$35,000 for employees and \$50,000 for supervisors, managers, and elected officials. The county gradually built its capacity to do training in-house, and today all county employees have been trained in Service Excellence concepts.

The Service Excellence program is structured around a countywide steering committee that acts as a core planning group, setting the direction for the program and coordinating the activities of the subgroups. Four of the 37 departments have operational workgroups, which have the same organizational structure as the steering committee and coordinate their corresponding functions.

There are currently six subgroups that perform the following functions:

- **Trainers and Facilitators:** trains new employees in Service Excellence concepts
- **Training and Development:** provides technical tools and training to TQM teams
- **Measurement and Assessment:** surveys and measures customer and employee satisfaction; develops measures for performance standards
- **Team Chartering:** selects projects for Service Excellence efforts; provides mentoring and assistance to teams in improving job performance
- **Communications:** shares information and ideas through a quarterly newsletter; publicizes the program and increases awareness of program success
- **Recognition and Reward:** provides rewards for good work and incentives to improve operations, with the goal of better service as a result. Rewards include free dinners at area restaurants, pins for long-serving employees, and engraving employee names on a plaque in the county courthouse.

The Service Excellence initiative has resulted in “win-win” situations for labor and management. It has also saved county taxpayers money. The workplace safety team project, for instance, began with county safety coordinators identifying high-risk job duties, such as driving and heavy lifting, based on local and national accident and injury data. Employees performing these tasks were then trained by professionals in safer driving and lifting techniques. This initiative resulted in a 37% reduction of OSHA-recordable injuries in the county from 1994 to 1997. Lost days were reduced by 60% in the same time period. As a result of these safety improvements, a special tax assessment to pay for workers’ compensation, to be spread out over five years, was paid off in only three due to reduced injuries, saving taxpayers \$1.5 million. Furthermore, employees received an important morale-building message—that management truly cares about their safety on the job.

Another example of the benefits of Service Excellence is the county sheriff’s department, one of only two sheriff’s departments in the state accredited by CALEA (Commission for the Accreditation of Law Enforcement Agencies), which requires that 800 standards be met before granting accreditation. Managers emphasize that through Service Excellence, the county aspires to have the highest professional law enforcement standards in New York State, a goal borne out by the fact that the county jail is also nationally accredited. It’s a win-win situation for law enforcement and citizens alike, since there is a lessened liability to the community for lawsuits from dissatisfied citizens. A string of deficiency-free state auditor’s ratings in the nursing home and in the home health program further illustrate the quality improvements engendered by the Service Excellence program.

This is not to say that Service Excellence is without its drawbacks. Training is expensive and the results are not always immediate. The work groups have experienced varying levels of success, according to the human resources director. In particular, there is a need for greater employee-based innovation in both health and social services departments, both of which have experienced greater resistance from middle managers.

Finally, it should be noted that the work of the Service Excellence committees does not overlap with that of the labor-management committees. However, in a small organization such as Ontario County, there is overlap among the key players in the various groups that allows for communication between them.

MUTUAL-GAINS BARGAINING

A third tool, *mutual-gains bargaining*, has been used in the county to negotiate labor contracts since 1994, when the county used this process to renegotiate four contracts with CSEA. Training, provided by staff from the New York State School of Industrial and Labor Relations at Cornell University, helped to educate both management and labor about the techniques of mutual-gains bargaining. Results were positive, and both labor and management say they would use mutual-gains bargaining again in future contracts. Through the mutual gains process, they both have become more adept at cooperative skills, such as listening to each other and providing information up front.

Union leaders extolled the benefits of mutual gains, although they acknowledged the difficulty of adjusting to providing information up front. Sounding a less satisfied note, one manager noted that mutual gains is a “tedious process” and might not be used in the next contract, now that trust levels are high, making formal processes for information-sharing less necessary. Mutual gains has proven valuable to smooth negotiation contracts, but as another manager put it, “it is the respect and mutual trust developed the other 11 months of the year that really matters.”

THE RIGHT CLIMATE

There were several preexisting conditions needed to build cooperative labor-management relationships in Ontario County. Above all, it was willingness of both labor and management to risk upsetting a stable but fundamentally adversarial relationship to move towards a more cooperative, “win-win” model of relations. To do so, county leaders focused on the county’s changing needs and saw the value of changing the status quo in order to “be the best,” as one manager said.

There was some initial resistance to the Service Excellence program, for example, on the part of the Board of Supervisors. They were skeptical of, in the words of one manager, “another one of those touchy-feely programs.” Today the legislators are much more supportive of the program, but as elected officials, ultimately they are most interested in the bottom line. Since improvements are sometimes hard to quantify, this can be a barrier to gaining their endorsement for new initiatives.

Some employees and middle managers have also remained uncomfortable with the new cooperative outlook. Middle managers may rightfully believe they are being cut out of the decision-making loop, and that their jobs are threatened as a result. However, county leaders say this resentment has diminished over time, as people have gotten

involved and helped to solve problems. However, some leaders wished they had made more effort to train middle managers before cooperative processes were instituted. Some county officials believe it may take up to ten years for a full transition to a new philosophy of cooperation.

Support from union leadership has been more uniform, especially in regard to safety, which is also a top priority for national AFL-CIO leaders. Service Excellence parameters have even been incorporated into the most recent labor contract. Still, leaders on both sides remark that some people are resistant to change of any kind, and that it takes time to build the trust and teamwork necessary for change.

PRIVATIZATION, ENGAGING LABOR, AND PERFORMANCE MEASUREMENT

Privatization is a contentious issue that can stymie even the smoothest labor-management relations. Ontario County has successfully dealt with privatization issues by bringing labor into the process. When the county receives an unsolicited offer to privatize a particular service, as it has for the county landfill, nursing home, and home health care, both management and labor are involved in making the decision. In the case of home health, employees are giving input to an outside consultant hired to study the costs and benefits of privatization. County administrators consider the input of employees and the consultant alike before making a final decision.

As a result of the decision-making process, the landfill and nursing home have remained county-run, and the study of home health care is ongoing. County officials, however, do make it clear that just because a service is not privatized today does not mean it can't be in the future. If the private sector can provide the service cheaper and better, according to county management, then the service will go private. This belief, in the words of union leaders, is a "constant challenge," but they are glad to have the opportunity to conduct their own research and bring the results to the table to discuss with management in a cooperative setting.

In another effort to engage labor in decision making, Ontario County CSEA representatives serve on the search committees for new county administrators. The present county administrator was chosen this way, as was the director of planning. County management and the union also cooperated in developing a new cafeteria health plan, which, after a year-long education period, now allows workers to choose their own benefits packages.

The effects on employee morale and citizen satisfaction of Ontario's cooperative programs have been positive, but have only been quantified to a limited extent. Officials cite the difficulty of finding objective measures of performance quality. The county has obtained some information through a "Citizen Survey" and an "Employee Survey" conducted under the auspices of the Service Excellence program. The results of the surveys indicate that both citizens and employees are generally satisfied with county

services and workplaces. However, there was no survey taken prior to implementing the changes. Nor was the data compared to national norms. While attitude change may be difficult to quantify, the county is able to show clear instances of cost savings in particular departments, such as the workers' compensation tax windfall. However, the County still does not have a way to measure cost savings on an interagency level.

KEY LESSONS

Cooperative labor-management structures have had a short but productive existence in Ontario County. Several key lessons have emerged, according to both labor and management leaders:

- It may be tempting to jump into the latest trendy program, but **few people realize the amount of work needed to sustain the effort**. Begin by understanding the level of commitment needed to implement these programs.
- **It takes time to build a cooperative labor-management relationship**. There is no such thing as a quick fix. However, significant success was achieved in Ontario County in just three years of Service Excellence and mutual-gains bargaining.
- In any negotiation, **it is important to make sure the other side looks good**. This mindset can lead to a more productive negotiation process.
- **The right people need to be at the table** for a successful result. If labor leaders don't represent employees' true interests but defer to management, for instance, the negotiation will be futile. The people at the table also need to have the authority to make a final decision.
- One group can adhere to its principles and still maintain a regard for the other group's interests. **There can be mutual gains** in the negotiation process.
- **Middle management must buy into the process** and be trained in the cooperative philosophy. Even if top management buys into the idea, middle managers need to support it. Leaders should not be afraid to make ultimatums if middle managers continue to resist changes.
- **Attain small victories** like safety improvements, and **build on those successes** to make broader changes.

Certain resources were especially helpful to both labor and management in getting the cooperative process started. First and foremost, they did extensive background research on each initiative. For instance, county leaders recruited an advisory council of eight business people who use Service Excellence in their firms. This council continues to provide information to the county about private sector innovations that improve performance and service. Managers cited the importance of looking to the private sector to learn about successful methods for building labor-management cooperation.

Area educational institutions were also a valuable resource. The Finger Lakes Community College Business Institute (FLCC), the Rochester Institute of Technology College of Continuing Education, the Cornell School of Industrial and Labor Relations, and the Center for Government Research, a nonprofit public-policy consulting firm in

Rochester, all aided the process through information and/or training. The FLCC, for example, houses an Excellence in Government Institute, which offers all county employees free certificate programs in supervision, customer skills, and workplace skills. Course topics include conflict management, problem solving, meeting skills, and tools for process improvement. On a national level, a summer program of the Institute for Local Government at the University of Virginia gave officials a larger perspective on government restructuring efforts around the country.

CONCLUSION

Instituting cooperative processes involves a culture change, and an evolution in the way work systems are designed. It does not occur overnight, nor without careful preparation. In order to effect changes in working relationships and labor-management relations, managers, union officials, legislators, and employees need to be trained in the philosophy behind cooperation. Both parties need to work together continuously to implement change effectively.

Labor-management cooperation in Ontario County is a testimony to the leadership of both the union and management in seeking better ways of working and new paths to success. Ontario County's example shows that cooperation does not have to compromise or deny the identity of either party. However, cooperative structures are not panaceas. Conflict may still arise, and if handled correctly, can spark creativity and change. Ontario County's example demonstrates that labor-management cooperation can provide a better way for government to function effectively.