

# *Aspiring to Excellence*

## *Comparative Case Studies of Public Sector Labor-Management Cooperation in New York State*

**A Report from the Department of City and Regional Planning  
Cornell University  
June 1998**

**Authors: Nicole Blumner, Lindy Burt, Jon Gans,  
Lisa Goldberg, Kristin Guild, Young Sung Kim,  
Chang Kil Lee, Darth Vaughn, Mildred Warner**

## CONTENTS

<b>Acknowledgments</b>	<b>ii</b>
<b>Executive Summary</b>	<b>1</b>
<b>Introduction</b>	<b>2</b>
<b>Methodology</b>	<b>4</b>
<b>Findings</b>	<b>6</b>
<i>Labor-Management Committees</i>	<b>7</b>
<i>Mutual-Gains Bargaining (MGB)</i>	<b>11</b>
<i>Total Quality Management (TQM)</i>	<b>14</b>
<b>Conclusions</b>	<b>18</b>
<b>References</b>	<b>23</b>
<b>Appendix A: Key Informants</b>	<b>A-1</b>
<b>Appendix B: Case Study Informants</b>	<b>B-1</b>
<b>Appendix C: Interview Guide</b>	<b>C-1</b>

## **ACKNOWLEDGMENTS**

This report is the culmination of a graduate-level class in the Department of City and Regional Planning at Cornell University exploring the topic of local government restructuring in New York State. We would like to thank a number of individuals and organizations for their assistance throughout our effort. The New York State Association of Counties, the New York Civil Service Employees Association, and the NYS Department of State's Division of Local Government worked most closely with us on this project and we appreciate their support. Thanks also to the NYS Public Employment Relations Board and the New York State School of Industrial and Labor Relations Extension for providing us with valuable information. We also thank those individuals in Genesee, Ontario, and Tompkins Counties who gave us their time to be interviewed for the case studies. Finally, the students in the class would like to thank our professor, Mildred Warner, for her work and much-needed guidance throughout the semester.

Additional copies of this report and the individual county case studies can be downloaded from the Restructuring Local Government Website maintained by the Department of City and Regional Planning ([www.cce.cornell.edu/community/govt/restructuring/](http://www.cce.cornell.edu/community/govt/restructuring/)). Other information relating to local government restructuring can also be found at the site. For further information, contact Professor Mildred Warner (email: [mew15@cornell.edu](mailto:mew15@cornell.edu), phone 607-255-6816). Support for this project is provided in part by Cornell Cooperative Extension and by the Cornell Agricultural Experiment Station.

## **EXECUTIVE SUMMARY**

The public sector, particularly local government, is under pressure to simultaneously improve performance and curtail costs. Reductions in state and federal funding, a continuing demand for efficient and flexible government services, and fear of tax revolts are leading to reexaminations of how local governments can best meet the demand for their services. Governments are utilizing a number of tools for restructuring service delivery to increase efficiency and reduce costs.

In our background research, we identified two types of restructuring: external restructuring, where a government turns to outside organizations to provide services (through privatization or intermunicipal cooperation, for example), and internal restructuring, which seeks to improve service delivery by altering organizational structure and decision-making processes. High levels of public sector unionization in New York State make internal restructuring through labor-management cooperation an especially important alternative. Through case studies of three New York State counties, we examined the use of three specific tools for labor-management cooperation: labor-management committees, mutual-gains bargaining (MGB), and total quality management (TQM). Genesee, Tompkins, and Ontario Counties were chosen as cases where at least two of these three internal restructuring tools have been implemented successfully.

We found that these cooperative workplace structures improve communication and broaden participation in decision making, leading to greatly improved labor-management relations and employee morale. They may also reduce costs and improve service delivery. However, limited evaluation in the three counties makes savings and service improvements difficult to document.

These tools appear to fall on a continuum of complexity, investment costs, and comprehensiveness. Labor-management committees provide a foundation for the other tools by building an ongoing forum for communication and trust building. They are flexible, deal with a wide array of concerns, and require minimal training. Mutual-gains bargaining requires more training and, in our cases, a preexisting environment of trust. While there are spillover benefits to other areas, MGB is primarily limited to contract negotiations. TQM is the most comprehensive of the three tools and requires the greatest degree of training and organizational culture change to be effective. It also may offer the greatest potential for service improvement.

The case study counties all enjoyed a preexisting environment of trust, committed leadership, and lack of political or fiscal crisis. Given the investments in training and change in perspective required of labor, management, and elected officials, implementation of these tools may be more successful in counties not experiencing crisis or a recent history of labor-management conflict.

These internal restructuring tools are not designed to address external stakeholders. Service improvements may be limited by higher-level policies and mandates these tools cannot address. Similarly, citizen involvement is not enhanced by these tools. However, by creating new forums for communication and participatory decision making, local government enhances its ability to identify and implement programs for service improvement. Adding mechanisms for citizen involvement and strategies to push for needed policy change at higher levels may further increase local government's capacity to restructure to meet the needs of its diverse constituents.

# **ASPIRING TO EXCELLENCE: Comparative Case Studies of Public Sector Labor-Management Cooperation in New York State**

## **INTRODUCTION**

The public sector is under pressure to simultaneously improve performance and curtail costs, and this is particularly true of local government. Reductions in state and federal funding, tax revolts, and the advent of privatization are leading to reexaminations of how local governments can best meet the demand for their services. Keeping taxes down while delivering the quality services that citizens expect is a difficult challenge. Local government must become more efficient and more accountable to the general public.

## **EXTERNAL RESTRUCTURING**

External restructuring, which involves privatization or contracting out for services, can create a competitive environment and result in increased efficiency and cost savings (Savas 1987). In New York State, however, privatization has been limited (Lauder 1992). A 1997 survey of local government restructuring in the state found intermunicipal cooperation to be the most common form of restructuring (45% of respondents). Privatization was the next most common form of restructuring (31%), but reverse privatization (bringing services back into the public sector) was also significant (Warner and Hebdon 1997). This suggests that local governments in New York State recognize the value of both cooperation and competition in improving service delivery.

Privatization can create an uneasy or even hostile environment between labor and management. It can result in lower wages, benefits, and levels of unionization (Hebdon 1995; Chandler and Feuille 1991, 1994) despite government efforts to ensure no layoffs. Some empirical studies have shown the impacts of contracting on unionized workers' pay and employment to be minimal (Pendleton 1997). However, lowered employee morale and fears about job security have significant negative effects on the potential for a cooperative relationship. In addition, public sector unions must fight privatization if they are to retain their membership base (CSEA 1995).

In New York State, public sector collective bargaining is governed by the Taylor Law, which mandates that employers negotiate with the union before contracting out a service that is essentially the same as one union members currently provide. Thus the Taylor Law is often perceived as a roadblock to privatization. However, under some circumstances, New York State's governments may contract out services without negotiating with the union, and they also may downsize when there is no longer the need for a particular service or when financial circumstances demand it. Nonetheless, collective bargaining restrictions under the Taylor Law may limit opportunities for contracting out. This makes the search for other, more cooperative methods for implementing workplace innovations essential for local government restructuring in New York State (Donovan 1990; Lawyers Co-operative Publishing 1982).

## **INTERNAL RESTRUCTURING FOR TRANSFORMING GOVERNMENT**

In their well-known book *Reinventing Government* (1992), David Osborne and Ted Gaebler argue that a sweeping overhaul of how government does business can be achieved through

internal restructuring. They describe this as a move from a supply-driven system to a demand-driven system. The rigidity of budgeting, service delivery, and the labor-management relationship in traditional supply-driven governments, they argue, must be replaced by flexible, quality-oriented systems that are responsive to customers' needs. Internal competition and more cooperative labor-management relationships can provide an effective alternative to privatization for improving government efficiency.

Decentralization of authority can help government achieve better performance. The private sector has demonstrated that decentralizing authority and flattening hierarchies can be very effective in improving efficiency and product quality (Appelbaum and Batt 1994). Giving decision-making power to front-line workers, who are closest to most of the problems and opportunities, and encouraging employee innovation are important steps (Marshall 1992). Direct citizen participation is also vital to improving government services (Osborne and Gaebler 1992; Osborne and Plastrik 1997).

Total quality management (TQM) is one vehicle for internal restructuring. TQM programs are being used to transform government, especially at the federal level, but also in New York State and in more than 400 municipalities nationwide (Rusaw 1997, U.S. GAO 1995, New York State GOER 1992). TQM emphasizes an organization's commitment to the customer and to continuous improvement of every process through the use of data-driven problem-solving approaches based on empowerment of employee groups and teams. Cooperative processes such as TQM help to create a culture change, perhaps the most important requirement for transforming the public sector.

### **THE POTENTIAL OF LABOR-MANAGEMENT COOPERATION**

Traditional industrial relations practices relied on the acceptance of a shared ideology among labor, management, and government that defined workplace roles and provided stability to the system. The 1990s saw the development of a new model, one that recognizes there is often a lack of consensus between management and labor, and that both are greatly impacted by the instability in economic, technological, political, and social environments. In this context, methods that focus on building communication and cooperation between management and labor offer considerable promise (Kochan, Katz, and McKersie 1994).

Cooperative labor-management structures such as labor-management committees, total quality management (TQM) programs, and mutual-gains bargaining can be used effectively in the public sector. While the public sector is distinct in many ways from the private sector, it can learn from the experiences of private firms in implementing some of these progressive labor-management practices (Lawler 1990).

However, resistance to cooperative practices can be substantial. Any of the major stakeholders in the process—management, elected officials, and labor—may resist the change for different reasons, making transition difficult and time-consuming. Managers may resent their loss of authority and harbor doubts that productivity gains can be attained through these methods. Elected officials may be hesitant to accept the political risks of instituting change. Unions may perceive cooperative structures as a ploy to weaken labor and divert attention from basic issues

such as wages and job security. They also fear that by increasing workplace efficiency, they are putting their jobs in jeopardy (Gold 1986). In addition, participation may not necessarily give workers any real power.

Cooperative tools are inherently limited, since many fundamental decisions about organizational structure and work processes still remain in the domain of upper management. This is a commonly cited drawback to programs such as TQM (Appelbaum and Batt 1994). But more and more it is being recognized that all interested parties (labor, management, elected officials, customers) should have a voice in decision making, and that valuable production knowledge resides in all levels of an organization, especially with front-line workers (Marshall 1992). Having been implemented in the private sector with success, cooperative techniques are clearly beginning to take hold in public sector workplaces, as evidenced by the many examples profiled in the U.S Department of Labor report *Working Together for Public Service*, better known as the Florio Report (1996).

The literature indicates that effects of labor-management cooperation on the ability of local government to undertake internal restructuring and to improve service delivery are worth examining. While obstacles clearly exist, with effort, many of the barriers to labor-management cooperation can be overcome (Gold 1986). By profiling counties where several tools of labor-management cooperation have been employed successfully, we hope to add to the existing knowledge of how these specific tools can be used to improve local government services.

## **METHODOLOGY**

Initial research for this project was conducted in collaboration with the New York State Civil Service Employees Association (CSEA), the New York State Association of Counties (NYSAC), and the New York State Department of State's (DOS) Division of Local Government. Representatives from each of these groups were interviewed for their perspectives on and concerns about local government restructuring. The team found, through these discussions, that public sector management was searching for ways to improve internal and external operations, while labor was interested in exploring ways to prevent privatization of services. We hypothesized that labor-management cooperation can reduce costs and increase service quality, diminishing the impetus for privatization.

Further interviews with key informants helped the team focus on the relevant issues surrounding labor-management cooperation and identify the types of labor-management tools being employed in counties throughout New York State. Key informants included: CSEA, NYSAC, DOS, the Public Employment Relations Board (PERB), the Governor's Office of Employee Relations (GOER), staff and faculty of Cornell University's School of Industrial and Labor Relations, and elected officials from counties which had implemented some form of cooperation (see Appendix A for complete list).

We found that formal labor-management cooperative initiatives were not widely used in the state, but that a handful of both exemplary and semi-successful cases did exist. In the majority of cases, the most commonly implemented tools were labor-management committees, mutual-gains bargaining (MGB), and total quality management (TQM) programs. As a result, the team decided to focus on these three initiatives as tools of the labor-management cooperative process.

A 1997 survey of local government restructuring in New York State provided a preliminary indication of the incidence of privatization and restructuring in NYS counties (Warner and Hebdon 1997).<sup>1</sup> Twelve of the counties that responded to this survey indicated they had used cooperative labor-management initiatives. Key informants provided names of counties which had participated in TQM or mutual-gains bargaining training, or had implemented labor-management committees.<sup>2</sup> The research team then selected three counties—Genesee, Ontario, and Tompkins—which had been successful in implementing formal labor-management cooperation.

To explore our hypothesis that labor-management cooperative efforts could be an attractive alternative to privatization, the following key questions were formulated for the case studies based on the preliminary interviews and relevant literature:

- What are the basic elements of a cooperative labor-management relationship in county government?
- What are the goals that labor, management, and county officials hope to achieve through cooperation?
- What is the impact of a cooperative labor-management program on labor relations, service quality, and cost of service delivery?

These key questions reflect an attempt to describe the *process* of labor-management cooperation. Therefore, the chosen research method for the project is that of a *case study*, a descriptive research tool (Yin 1984).

The case study counties were selected on the following criteria:

- *Utilizing several tools of labor-management cooperation.* Having examined in our preliminary investigation several counties that had implemented one cooperative tool with marginal success, the team hypothesized that several tools may be necessary to substantively change the relationship between management and labor. Thus we chose counties that had implemented more than one of the cooperative tools identified: total quality management, labor-management committees, or mutual-gains bargaining.

---

<sup>1</sup> Conducted by Cornell University in cooperation with the County Legislators and Supervisors Association of New York State, this survey was distributed to all towns (932) and upstate county governments (57) in New York State. Responses were received from 196 towns (21% response rate) and 26 counties (45.6% response rate).

<sup>2</sup> The counties initially considered were Chautauqua, Clinton, Columbia, Dutchess, Erie, Genesee, Livingston, Oneida, Ontario, Putnam, Schenectady, Tioga, Tompkins, Ulster, and Westchester.



- *Key informant recommendations.* The case study selection was also based on the beliefs of key informants listed in Appendix A that these counties were among the more successful of New York State in implementing cooperative labor-management efforts.
- *Willingness to participate and proximity.* Cases were selected on the basis of the willingness and ability of the counties to provide us with the necessary access to personnel and resources. Geographic proximity to Ithaca was also a consideration due to time constraints.

In each case, every attempt was made to interview one or more representatives from each of the three perspectives: elected officials, management, and organized labor (see Appendix B). An interview guide (see Appendix C) was developed to provide consistency and direction across all interviews. However, the interview format also provided flexibility for open-ended responses, so that the elements, advantages, challenges, and lessons of labor-management cooperative initiatives could be fully explored. Interviewees were able to respond to questions and expand on their ideas verbally, in a manner that a survey does not allow.

Face-to-face interviews were conducted with the majority of interviewees. When this was not possible, interviews were conducted by telephone. Interviews were summarized and shared with interviewees for review. Where necessary, follow-up interviews were conducted by telephone.

The research team compared the cases, discussing the commonalities and differences across them. Preconditions, goals, and limitations of the three tools of labor-management cooperation studied were emphasized. The analysis was written as a draft report and shared with the key informants in the case study counties. Their comments were incorporated into the final report. Permission to share the information contained in this report with the public was obtained from all county officials and staff who were interviewed.

## **FINDINGS**

The case study counties—Genesee, Ontario, and Tompkins—are located in central and western New York State. Genesee County has a population of about 60,000, while Ontario and Tompkins each have about 95,000 residents. Politically, Genesee and Ontario are governed by Republican-dominated legislatures and Tompkins currently has a Democrat-controlled board. All three counties have an appointed full-time county manager or administrator. This is the most common form of county government in New York State.<sup>3</sup> The presence of a professional, full-time manager was a control factor across these three counties. The ability to generalize findings to other counties with county executives or no full-time, professional manager may be limited. However, key informants familiar with cooperative efforts across the state indicate that strong

---

<sup>3</sup> Of the 57 counties outside of New York City, 18 (31.5%) are governed by the county executive structure (elected official), 27 (47.5%) are governed by county managers or administrators (appointed), and 12 (21%) have no full-time manager or county executive.

leadership and support for change appear to be more important to successful implementation than type of governance structure.

Additionally, the environment between labor and management in all three cases was found to be generally cooperative, or at least noncombative, prior to the implementation of cooperative initiatives. Therefore, this study cannot speak to counties where an adversarial relationship between labor and management is present.

The three labor-management tools were found to exist along a continuum of complexity, with labor-management committees providing the foundation for the other two tools. These committees provide a flexible forum for problem solving and building trust, and they require minimal training. Labor-management committees in all cases predated mutual-gains bargaining and TQM. The interest-based bargaining approach of MGB required substantial training for successful implementation. Used primarily for contract negotiations, MGB appears to have had very positive effects on negotiation processes and outcomes, as well as positive spillover effects to other arenas of decision making. TQM was by far the most comprehensive and complex of the three tools studied. Extensive training of labor, management, and elected officials was required to support the culture change toward shared decision making required for a successful TQM effort.

Key elements for successful cooperation include training, committed leadership, communication, and evaluation. In the case study counties, improved morale, costs savings, and service improvements resulted from the use of these three tools, suggesting they do provide an effective alternative to privatization. However, limited evaluation in the counties prevented definitive analysis of the true costs and benefits of labor-management cooperation.

## **LABOR-MANAGEMENT COMMITTEES**

Labor-management committees are cooperative structures that focus on problem solving and building trust. They typically deal with issues including workplace safety, work hours, training, personnel issues, and daily workplace concerns. Although labor-management committees may initially focus on less controversial issues, such as worker safety standards, over time they may build a level of trust between labor and management that allows them to deal with more complex problems (Gold 1986).

Labor-management committees may be permanent or they may form around a particular issue and disband once resolution is reached. However, they are not necessarily formed to solve crises. Many are proactive and attempt to improve current work practices. They are flexible and easy to implement, and require minimal training. Labor-management committees are cornerstones of cooperation in each of the counties studied.

## **STRUCTURE**

The labor-management committees in Genesee, Ontario, and Tompkins Counties are similar in terms of their goals: enhanced labor-management relations, decreased costs, and improved services. Each county has a central guiding or umbrella committee that oversees the activities of issue-based or departmental labor-management subcommittees. They may facilitate training and provide direction to subcommittees or they may address specific program innovations or daily operations. All three counties implemented labor-management committees before mutual-gains bargaining and total quality management.

There are differences in how each county uses the committees, however. In Ontario County, where such committees have existed since the early 1980s, they operate independently of the TQM program. Ontario County has a countywide committee, committees that operate within departments, and others that address specific issues, such as safety and health.

Tompkins County's labor-management committees, which have existed since the mid-1980s, now function as part of its TQM program. Prior to the inception of the TQM program, non-union members who volunteered or were voted in by all employees were allowed to serve on labor-management committees. Under the total quality management agreement negotiated between the CSEA and the county board of representatives, now there are more committees, and only union-selected representatives may serve on them (see the total quality management section, below).

Genesee County does not have a TQM program, and their labor-management committees are the main venue for workplace innovation. There is one main committee for the general bargaining unit, which covers most county departments, and a separate committee for the nursing home unit.

## **REPRESENTATION**

Labor-management committees are composed of representatives of management and the union. Only in Tompkins County were legislators also included. Tompkins County's umbrella committee has 13 members, including representatives from top management, middle management, and labor. In Ontario County, the countywide committee is made up of the county administrator, deputy administrator, director of human resources, and several of the local union presidents. In Genesee County, the general unit committee consists of the county manager, the personnel officer, the CSEA general unit president, and the regional labor relations specialist, as well as two more representatives from both management and labor who rotate onto the committee in three-year intervals. This provides more people an opportunity to be part of the process. Size of the committees varies according to the scope of the issue and the need for stakeholder input. Most have eight or fewer members, but at least one committee in Tompkins County has over twenty members.

## **FUNCTIONS**

In all counties, labor-management committees address a broad spectrum of workplace concerns. In Genesee County, the general unit committee emphasizes relationships and creating an environment where employees feel their input is valued and decisions are made by consensus.

The labor-management committee has introduced policies that create a more family-oriented environment.

Labor-management committees can also be forums for discussing alternatives to privatization proposals. In Ontario County, labor has the opportunity to give their input before a decision to privatize a service is made by the administration. In Genesee County, labor and management formed a special joint action committee to address the threat of possible privatization in the Department of Mental Health Services.

Labor-management committees can impact the delivery of government services by finding ways to reduce costs while maintaining or improving the service itself. While hard data documenting the impact of innovations on cost was difficult to obtain, workers' compensation costs were significantly reduced in Tompkins County as a result of safety measures and training recommended by a labor-management committee (prior to the implementation of TQM). In Genesee County, labor-management committee recommendations and process improvements have led to cost savings through reduced absenteeism, increased productivity, and decreased supervision time. Their nursing home committee has helped the facility improve efficiency and avoid privatization. Client surveys in Ontario and Tompkins Counties have indicated overall improvements in services.

Labor-management committees do not address contract disputes or grievances, although they appear to be effective in defusing potential problems before they reach the grievance stage. All three counties credited labor-management committees for helping to keep the number of formal grievances low.

### **ROLE AND AUTHORITY OF COMMITTEES**

There is great flexibility in how roles are defined for labor-management committees. Tompkins County has a formal agreement defining the roles, expectations, and boundaries of authority for the Leadership Council, which took one year to negotiate and which clearly outlines the scope of the committee process. Genesee County has less formal written guidelines that articulate the goals and procedures of the committee. The authority of the labor-management committee is not written into a contract but is accepted by both parties. Ontario County's labor-management committee is well entrenched and seems to function effectively without a written agreement.

Labor-management committees have varying degrees of authority and power. In some cases, their policy recommendations are binding, while in others they merely offer suggestions that must gain the approval of elected officials. This is often the case when budget or cost decisions are involved. Committees in Ontario County are empowered to draft letters of agreement around issues that would normally be addressed through contract negotiations.

In some cases, the use of labor-management committees may impact traditional lines of authority. Middle managers may lose some of their decision-making authority because employees can voice concerns directly to top levels of management through the committee. In Ontario County this was an issue, but in Genesee and Tompkins Counties, middle managers are included on committees.

## **TRAINING/SUPPORT**

Training committee members in conflict resolution and consensus decision making may help committees work more smoothly. Training sessions allow both groups to establish their commitment to the concept and to forge cooperative relationships. For example, in the Genesee County Nursing Home, a half-day training session for the entire staff helped them use their labor-management committee more effectively. In this case, a CSEA facilitator from Albany was used. The Public Employment Relations Board (PERB) and Cornell's Industrial and Labor Relations Extension are other valuable sources of training and information. It is important to recognize, however, that there may be a significant time lag after training before measurable results are seen.

Tompkins and Ontario Counties, which had longer-standing labor-management committees, have invested more in training for mutual-gains bargaining techniques and total quality management than for labor-management committees.

## **RELATIONSHIPS**

Labor-management committees can be contentious because they bring together individuals with diverse points of view. Strong leadership, good communication, and commitment to the process make the difference between success and failure. Without these elements it is difficult, if not impossible, to build the necessary level of trust to make a labor-management committee work. Both Tompkins and Genesee Counties had attempted labor-management committees in the past, with limited scope and success. By focusing on relationships, building trust, and gaining the commitment of leadership they were able to establish the successful committees that operate today. One strategy used was to begin by addressing issues that are less contentious, to build momentum so committees can tackle larger, more difficult problems in the future. This increases the level of trust among committee members and reduces the potential for early conflict.

Employee morale has been greatly improved in the counties studied. There are still conflicts and differences of opinion, but labor-management committees provide a mechanism for giving voice to these problems before they become intractable.

## **CHALLENGES AND LIMITATIONS**

Several challenges in implementing labor-management committees are evident:

- Time is required to build the trust necessary for effective committees.
- They have limited authority: they are not designed to make decisions about broad structural changes in county operations.
- Defining the appropriate roles and boundaries of committees is important: many problems lie beyond the scope of committees and call for wider participation of elected officials and citizens.

## **CONCLUSION**

Labor-management committees are excellent forums for communication and workplace problem solving. They are flexible and require minimal training, which also makes them inexpensive. In all three counties, good communication, strong relationships, committed leadership, and trust

proved to be the most important factors for committee success. While the most compelling impact seen was on labor-management relations, committee efforts also led to improvements in county government functioning. Labor-management committees are relatively easy to implement and provide a foundation for incorporating more sophisticated tools, such as mutual-gains bargaining and total quality management, into an organization.

The following are recommendations to consider for labor-management committees:

- Establish a central, guiding committee to oversee the endeavor.
- Integrate committees into the organizational structure.
- Define expectations and parameters for decision making.
- Include as many stakeholders as possible and necessary.
- Communicate and foster a shared understanding of goals and objectives for both the committee and the organization.
- Be cognizant of power differentials and the effect these may have on communication.
- Address issues where it is easy to reach consensus at the outset in order to build momentum to tackle more difficult topics.

## **MUTUAL-GAINS BARGAINING**

Mutual-gains bargaining (MGB) is a method of bargaining designed to dramatically improve the quality of contract negotiations and increase the likelihood of compliance between labor and management, ultimately benefiting their constituents. The mutual-gains process focuses on negotiations based on interests rather than positions and on building consensus. Through this process, unions and management identify at least one common goal and find ways to jointly accomplish that goal (Cohen-Rosenthal and Burton 1993). While MGB can be used for many types of negotiations, the case studies focused on its use for contract negotiations. Ontario County has been using mutual-gains bargaining since 1994, Tompkins County since 1995, and Genesee County since 1996.

### **PRECONDITIONS**

All three counties had existing cooperative labor-management relationships in place before the initiation of MGB. Tompkins and Ontario Counties indicated they had been using interest-based bargaining techniques informally for years, and that they moved to MGB as a way of formalizing the process. This leads us to speculate that counties that have good labor-management relationships may be more apt to implement MGB because the idea of cooperating isn't very radical to them and there is less distrust between labor and management to overcome. Genesee County, however, was less satisfied with their standard negotiation process and wanted to use MGB to improve the quality of negotiations.

### **BENEFITS**

Mutual-gains bargaining led to smoother contract negotiations in all three counties. This was especially true in Genesee, where labor and management agreed the new techniques were far more productive than previous negotiations. Perhaps because Ontario and Tompkins Counties already had well-established cooperative structures that resembled MGB in place, the changes

were less dramatic, but in both counties labor and management spoke positively about the effects of MGB techniques on the negotiating process.

MGB can be used to empower workers and strengthen their organizations, as well as to shape their lives at work. The benefits include increased access to information, prenotification of changes in work arrangements and technology, and increased input, which helps management avoid errors or decisions that would hurt union membership. There is also an indication that work satisfaction may increase, and the union may be able to address a broader range of members' concerns more quickly and fully. In addition, the literature on the subject indicates that union membership, education, and skill levels increase.

In the public sector, management must make the organization as effective as possible to meet the needs and expectations of citizens and their legislative authorities. Management's benefits include improved effectiveness, increased organizational flexibility, an improved working environment, and enhanced productivity (Cohen-Rosenthal and Burton, 1993).

Labor and management in the case study counties agree MGB has saved a lot of time. The use of MGB allowed Genesee County to complete their last contract in about a month, whereas it used to take up to six or seven months. The same is true for Tompkins County, where labor and management found the salary issue was on the table faster than ever before, in part because the economy was doing well, but also as a result of MGB.

Neither management nor labor see MGB as a panacea, but both concede that both parties walk away from the negotiating process feeling better. While both labor and management in Ontario County are pleased with MGB, the union appears to favor the process a bit more. CSEA representatives felt that MGB would definitely be used in the future. At least one manager, on the other hand, was of the opinion that MGB was a bit "tedious" and might not be used in the next contract because levels of trust were already high. In Tompkins County, labor felt that the "win-win" solutions that MGB is supposed to create often result in compromises. Management respected the process, but felt it was nothing new in comparison to the way they interacted in the past.

## **LEADERSHIP**

The commitment of top management and union leaders to MGB is very important to its success. Some people will find it difficult to accept a new approach and will be subversive to both groups' mutual interests. In some cases, a change in leadership was necessary before a county could effectively implement MGB. In Ontario and Genesee Counties, for example, changes in union and/or management leadership preceded their formal implementation of MGB.

During negotiations, and during day-to-day interaction, the administration, union leaders, and managers need to set an example of open communication for all to follow. Labor and management must be committed to MGB. They must communicate with each other, understand each other's needs and interests, and pursue answers that benefit both groups. Tompkins, Genesee, and Ontario Counties' MGB efforts had the support of top management.

## **TRAINING**

Mutual-gains bargaining requires a change in philosophy that cannot occur without careful preparation. Unlike traditional collective bargaining, mutual-gains bargaining operates on trust and open information sharing, and as simple as the concept might be, it is critical that labor, management, and legislators receive training before they decide to embark on mutual gains. While legislators do not participate in negotiation, it is important they understand and support the process.

In their efforts to implement MGB, Ontario, Genesee, and Tompkins Counties all turned to the New York State School of Industrial and Labor Relations Extension for training. Tompkins County trained 300 out of 720 employees in MGB before its formal implementation in 1995, and had few problems. Now all bargaining units in Tompkins County (except the sheriff's department) use mutual-gains techniques for all terms except salary. In the case of Genesee County, the assistant county manager was trained to facilitate the negotiations, while Ontario and Tompkins used outside facilitators. Although Genesee's general unit contract was successfully negotiated using MGB in a much shorter period of time than was typical, the negotiating process was still very challenging, and the rank and file expressed skepticism about the initial contract. Because of the distrust that traditionally exists between the two groups, it may help to use an outside facilitator at the outset. Even with training, it can take employees and management time to learn to trust and accept the process.

## **CHALLENGES**

MGB can benefit both labor and management, but it can also be risky to both parties. Both union leaders and management are in danger of being perceived as too close to the "adversary"—legislators may fear management is being too easy on the union, while union members may fear their leadership is being "co-opted." Since the union is negotiating the terms and conditions of employment for its members, it has more at stake. The open negotiation process inherently requires each side to relinquish some of its negotiating power and may limit the union's ability to act as a unified group. In Tompkins County, the union has not yet agreed to negotiate salary using mutual-gains bargaining techniques largely for these reasons.

Mutual-gains bargaining is a process that was developed in the private sector to increase labor-management cooperation, but also to aid downsizing efforts. MGB inherently cuts out middle management as the mediators between labor and top management. In Ontario County, for example, middle managers were resistant to MGB, as it appeared to take some of their authority away.

Finally, because mutual-gains bargaining is a tool which is used only during contract negotiation time, it is limited in its ability to have a direct impact on the daily interaction between labor and management. However, there were important "spillover" effects of mutual-gains bargaining training to other venues such as labor-management committees and total quality management teams.



## **CONCLUSION**

Interest-based bargaining appears to save money and time, and have positive effects on labor-management relationships. MGB resulted in quicker contract negotiation where both parties walked away feeling better about the process and the outcome. However, as with other similar labor-management cooperative methods, it is difficult to quantify the results of MGB. For example, Ontario County tries to quantify cost savings whenever possible but finds it difficult to assign a dollar value to the intangible benefits of their cooperative efforts. The counties studied did not establish evaluation measures to determine what impact (positive or negative) MGB has made.

## **TOTAL QUALITY MANAGEMENT (TQM)**

While Genesee, Ontario, and Tompkins Counties have all implemented labor-management committees and mutual-gains bargaining, only Ontario and Tompkins Counties have instituted total quality management (TQM) initiatives. Ontario County began to implement total quality management in 1993, Tompkins County in 1994.

Total quality management represents a shift in management philosophy from autocratic, hierarchical decision-making structures to flatter organizational structures and shared decision-making responsibility (Kursat and Calicchia 1994). In the past few decades, following the model of the private sector, local governments have come to realize that top-down management is not always the best way to achieve results and that line workers have valuable contributions to make in identifying strategies for improvement (Osborne and Gaebler 1992).

In Tompkins and Ontario Counties, total quality management has changed the way decisions are made, processes are designed, and labor and management interact. Informants describe total quality management programs as a “visceral change,” a “paradigm shift,” and a “culture change.” Both counties’ total quality management programs are new, and therefore conclusions about the programs’ impacts and differences between them are tentative.

### **THREE COMPONENTS: SHARED DECISION MAKING, CUSTOMER FOCUS, MANAGEMENT BY FACT**

Total quality management initiatives have three primary components according to Kursat and Calicchia (1994):

#### **1. Shared leadership and employee involvement**

Total quality management programs are based in part on the idea that employees performing the work can create more efficient and effective processes to produce a higher-quality product. Total quality management programs typically establish formal structures such as labor-management committees for sharing decision making between managers and front-line employees.

## 2. Customer focus and an emphasis on service and product quality

TQM focuses on the needs and wants of two types of customers: “internal” customers—the next people down the line in the work process—and “external” customers—those who purchase or utilize a good or service. TQM seeks to improve the quality of both the product and the process by identifying the type and quality of good desired by both internal and external customers and providing what each customer wants. This can be difficult, since in the public sector, external customers include the people using a good or service but also the people paying for the good (taxpayers) and their representatives (elected officials).

## 3. Management by fact and continual improvement

Total quality management encourages steady data collection and rational decision making based on data rather than on impressions or uninformed opinions. Labor-management committees are one way to collect data about many facets of a complex issue. Others include customer surveys and careful tracking and documentation of any cost or time savings. The second component, a philosophy of continual improvement, encourages employees and managers to exceed current standards. Continuous improvement is achieved through constant experimentation, learning from mistakes, and diffusing learning throughout the organization.

### **GOALS**

In both Tompkins and Ontario Counties, the goals of total quality management most often articulated by managers and employees were to improve labor-management relations and work conditions, leading to a more smoothly functioning organization. All parties also expressed a desire to improve service quality. This desire is exemplified by Ontario County’s slogan for total quality management: “We aspire to excellence.” In Tompkins County, elected officials’ goals focused primarily on service improvement and cost savings.

### **TRAINING**

Participatory methods of decision making, identifying customer needs, and determining what kind of data to collect and how to collect it require skills of employees and managers that are not inborn or traditionally taught in schools or in the workplace. Thus, to effectively implement a total quality management program and achieve the paradigm shift required for success, training is essential.

Of the two counties, Tompkins has conducted more extensive training and spent more money. Tompkins County’s Leadership Council (the labor-management committee charged with planning and managing the total quality management program) has the goal of training all employees, managers, and elected officials in quality methods. Initial training sessions were conducted by consultants, who are still involved in the process. In the fall of 1996, however, the county hired a full-time training coordinator, and now more sessions are conducted by in-house staff.

Between 1994 and 1997, Tompkins County spent just over \$300,000 for outside consultants to conduct training. In 1998, the county will spend an estimated \$170,000 on consultants to complete the bulk of the training. Since 1997, in-house costs have been around \$100,000. These costs will drop dramatically after 1998, when all employees, managers, and elected officials will

have been trained in total quality management techniques and only training for new employees and refresher courses will be necessary.

Ontario County appears to have spent significantly less on their training program, particularly on outside consultants. Initially both labor and management leaders as well as county legislators were trained at the Rochester Institute of Technology. Initial training cost \$35,000 for employees and \$50,000 for supervisors, managers, and elected officials. The county gradually built their capacity to do training in-house, and today all county employees have been trained in TQM concepts.

It is important to remember when comparing these figures, however, that we obtained dollar amounts from Tompkins County for both outside and in-house costs, whereas the figures reported for Ontario County's training costs are only initial start-up costs for consultants. Still, there appears to be an appreciable difference in expenditures on consultants.

This difference may be due to the values held by county leaders. Tompkins County leaders are professionally and personally interested in organizational theory and process, and are willing to wait for long-term results. These may be the reasons for the strong emphasis on process and formal training. Ontario County leaders seem less interested in process and more interested in both short- and long-term results.

#### **SUPPORT STRUCTURES**

Individuals, however well trained in new ways of thinking and doing, will not be able to maintain the culture shift without a system of structural supports that devolve authority for decision making to labor-management teams. Supportive structures are probably one of the largest differences between total quality management programs which employees perceive to be "fake" and those which seem more real and effective.

Ontario County's 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. The four departmental work group committees each have the same organizational structure as the steering committee and coordinate their corresponding functions.

Tompkins County's Leadership Council includes representatives from labor, top management, middle management, and elected officials. The Leadership Council guides the training process and the activities of departmental committees, and facilitates the work of smaller, project-oriented or cross-functional committees.

Another support mechanism is in-house training facilitators. Currently, Tompkins County employs a full-time training coordinator. An additional twenty employees act as facilitators, assuming leadership roles on various departmental and issue-related committees. They lend practical support based on their understanding of TQM and committee concepts. In addition, they are role models for other employees and managers.

## **ADVANTAGES**

Total quality management is the most comprehensive cooperative tool for restructuring that the research team investigated. More than labor-management committees, total quality management programs can address inefficiencies in work processes and strive to identify customer needs. Unlike mutual-gains bargaining techniques, which are used primarily for contract negotiations once every few years, total quality management is ongoing and suffuses all work processes. It empowers labor to improve the workplace. In Tompkins County, for instance, labor-management relations had been good for some time, but TQM forced managers to rethink their traditional style to allow greater employee involvement in decision making. Employees and management now work together to solve problems, and by all accounts, both find the new process more productive and rewarding.

The cases studied indicate that total quality management does improve the functioning of the organization, employee morale, and labor-management relations. Based on the suggestions of a total quality management committee in the Department of Social Services, Tompkins County streamlined the intake process for several social service programs. A Tompkins County survey indicates that employee morale in the Department of Public Works improved 22% between 1990 and 1997. Further, since the TQM programs have been implemented, both Ontario and Tompkins Counties have had fewer frivolous grievances as a result of increased communication and trust.

The programs have also reduced costs in both counties, although the cost savings have not always been well documented. Tompkins County representatives believe they have saved a great deal due to improved morale and greater efficiency. Ontario County has documented savings through the efforts of its workplace safety team. The team project 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 in safer driving and lifting techniques, resulting 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, saving taxpayers \$1.5 million.

## **LIMITATIONS**

Both middle managers and elected officials may resist the total quality management culture change because it devolves supervisory and decision-making power to TQM teams and committees. While middle managers and elected officials are formally involved in several levels of the TQM program in Tompkins County, they are absent from the committees in Ontario County, and have understandably been more resistant to the process. Middle managers may also fear for their jobs. Tompkins County is dealing with this issue by retaining middle managers as top-level technical employees and ensuring their representation on the TQM committees.

Another limitation of total quality management as a tool for restructuring is its internal focus. The difficulty in identifying the "customer" for public sector goods and services and the focus on internal work processes make it hard to truly involve citizens in these TQM efforts. Both counties seek to identify external customer needs with surveys, and Tompkins County includes elected representatives on committees, but neither county includes citizens on committees. In

Ontario County, citizen involvement in the TQM program is slightly greater than in Tompkins, since it includes an advisory council made up of a select group of local business owners.

Tompkins and Ontario Counties both seem to focus more attention on internal customers, (through surveys and participation in labor-management committees), in the belief that process improvements will result in product and service improvements. This is not an unreasonable assumption, though it can be difficult to document. Customer satisfaction surveys in Ontario and Tompkins Counties indicate external customers are generally satisfied with service improvements generated by total quality management programs.

The substantial cost of total quality management training and implementation as well as the time required to reap benefits are also limitations of total quality management as a tool for local government restructuring. Finally, because total quality management focuses primarily on internal work processes, policy about external factors is outside its purview. The inability to address broader policy issues may limit the ultimate impact of investments in total quality management.

## **CONCLUSIONS**

### **GOALS OF COOPERATIVE TOOLS AND PROCESSES**

Most of our informants articulated their goal as a more smoothly functioning organization, with more creative problem solving and positive interactions between management and labor. Managers and elected officials focused on increased efficiency, cost savings, and improved service quality. Labor representatives expressed goals of increasing employee participation in decision making and improving service delivery by widening employees' stake in the process and product. Thus, improving service delivery was a goal of all parties, but with slightly different emphases. Elected officials valued improved service delivery for its impact on citizen constituents, whereas labor representatives valued increased service quality for its effects on job quality.

### **PRECONDITIONS FOR SUCCESS**

Several conditions existed in our counties prior to the successful introduction of formalized cooperative processes. First, the labor-management relationship in all three counties was already cooperative, or at least noncombative, providing fertile ground in which cooperative structures could thrive. Second, all the counties we studied were in relatively stable economic and political positions prior to establishing cooperative structures. We were not informed of any fiscal or political crises in recent memory that might put pressure on leaders to avoid the risk-taking inherent in cooperative initiatives. These three counties made a significant culture change not as a last-resort strategy, but as a means to improve already functional but imperfect processes. However, the cooperative structures have proven useful in dealing with crisis, such as the threatened sale of the nursing home in Genesee County.

We observed several other essential preconditions in our study counties. Committed, supportive leaders are required. This sometimes necessitates a change in the legislature, county administration, or union leadership. The attitudes of those in leadership positions proved crucial to the counties' ability to embrace the new ideas and paradigms of cooperative tools. Furthermore, in order to buy into the new cooperative relations, middle managers and line employees had to trust the intentions of both labor and management leaders. Even in counties where cooperative tools have been used successfully, the departments with a lower degree of labor-management trust have been slower to make the transition to new tools.

## **IMPACTS OF COOPERATION**

### *Internal Process Improvements*

The changes seen in government service delivery seem to be primarily internal in nature. Tompkins County, for instance, streamlined its intake processes for various social services. Genesee County instituted several policies that affect employee benefits, encouraging workplace efficiency and increased job satisfaction. The efficiency gains from internal restructuring are thought to "trickle down" to external improvements. The Genesee County Nursing Home, for instance, through its labor-management committee, has addressed staffing issues that are crucial to efficient functioning and effective service delivery.

### *Employee Morale*

The second area where impacts have been significant is employee morale, which was uniformly reported by our informants to have improved under cooperative processes. Again, data for improvements are difficult to obtain, and most employee surveys were completed after new structures were implemented, and therefore lack a comparative benchmark. All counties stated the number of grievances has decreased, and the grievances that are filed are uniformly serious in nature, the less serious problems being resolved in other forums, due to improved communication and trust.

### *Cost Savings*

Though gains and savings have sometimes proven difficult to measure due to a fear of budget cuts to agencies that report cost savings, the overriding sentiment is that cooperative efforts are resulting in real cost savings. Ontario County has documented at least one instance of large financial savings in its reduction of worker compensation costs due to a safety program implemented by a TQM committee. Genesee County's nursing home has become profitable again in part due to the efforts of its labor-management committee.

## **KEY ELEMENTS FOR COOPERATION**

From the case studies, we have identified a number of elements that are necessary for cooperation to be successful:

### *Training*

First, a substantial amount of time and resources were devoted to training labor and management leaders, and more often than not, legislators and line employees as well, in cooperative structures and processes. In Ontario and Tompkins Counties for instance, all employees are being trained in

total quality management concepts. Line employees were less likely to be trained in mutual-gains bargaining, which is used primarily by representatives of labor and management for the contract agreement. In Genesee County, for instance, while the assistant county manager was trained to facilitate the negotiation process, the employees were not trained prior to the switch to mutual-gains bargaining, and perhaps for this reason, the first contract negotiated by this method was voted down by union members. On the other hand, the Genesee County Nursing Home sponsored a half-day training session for the entire nursing home staff with a CSEA facilitator, which helped their labor-management committee become much more effective. Whether or not all employees were trained, training brought about a critical shift in how members of the organization viewed labor-management relations.

Local colleges and universities were valuable resources for training in these methods. Both Tompkins and Ontario Counties made extensive use of nearby educational facilities.

### *Leadership Commitment and Support*

The counties we studied all shared the presence of an appointed, professional administrator to manage the transition to cooperative tools. However, one expert on local government told us that the form of government is less important than the administrator or leader's commitment to the cooperative process. A high level of emotional maturity is essential, as is the ability to work well with people and to get them to buy into the process. The case study counties possessed leaders who were willing to work with, but ultimately hold responsible, resistant managers. The commitment of union leadership was also an important factor. Without the willingness of the union officials in these counties to try new ways of working with management, cooperative processes would not have been possible.

The role of elected officials was significant only to the extent they were generally supportive and did not interfere with the process. We did not observe a high degree of involvement in cooperative tools on the part of county elected officials, with the notable exception of Tompkins County, where a legislator was actively engaged in developing the TQM initiative.

Additionally, in the three counties we observed a clear commitment to the *process* of implementing cooperative tools. Since gains from TQM, for instance, were not immediate, and could take several years after training to realize, the commitment of leaders to see the process through was essential to its success. Administrators' and union officials' commitment to labor-management committees as an effective vehicle for problem solving also seemed to be a significant factor in their success. Tools that yield faster results, such as mutual-gains bargaining, perhaps require less depth of commitment from county leaders. In all cases, however, all parties must buy in to the process. Given the levels of trust required, cooperative efforts are likely to be sensitive to attempts to undermine them.

### *Communication*

Communication of the goals, structure, and roles of key players in cooperative processes is also important, both within the organization and in the larger community. Umbrella or countywide committees play important roles here as the central forums for sharing of information and ideas.

Creating public awareness of county efforts also may be desirable but was not emphasized in our case study counties.

### *Evaluation*

Evaluation is essential to assure appropriate and effective implementation of cooperative tools and to create support among elected officials and the public. Better evaluation of the cooperative processes in all three counties is needed. For instance, in Ontario County cooperative relations are so strong that some perceive mutual-gains bargaining as an administrative burden that in and of itself may not add significant benefits. However, county leaders currently have no means to gauge MGB's effectiveness. Management in Genesee County indicated that evaluation was an area they hoped to address in the future. The private sector may be a source for evaluation tools that counties can use to measure the success of their efforts.

### **KEY DIFFERENCES BETWEEN THE COUNTIES**

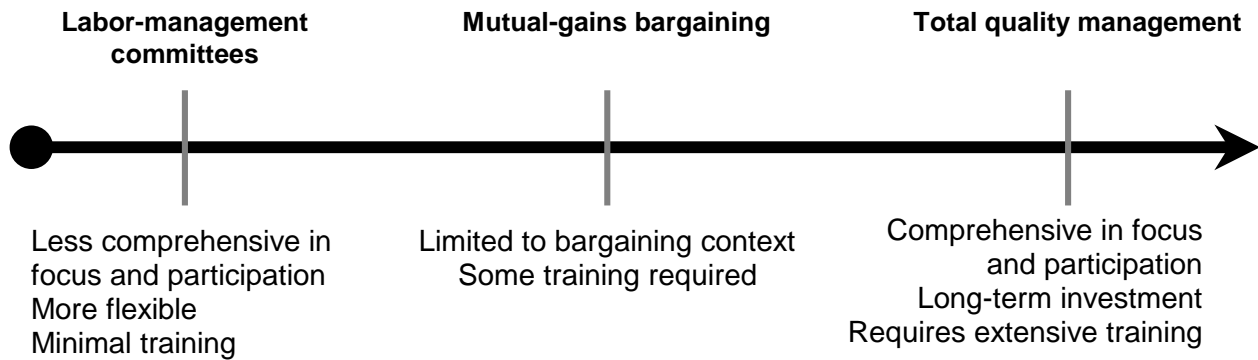
We recognized several key differences among the counties in the implementation of cooperative tools. First, the amount of money spent on training varied widely. Tompkins County had by far the greatest expenditures, almost entirely attributable to its TQM program. Tompkins' use of outside consultants on a regular basis also distinguished it from the other two counties. Genesee County, in contrast, only approached outside consultants on an infrequent basis. However, Genesee's labor-management committees required lower levels of training and hence less cost, compared to the formal TQM programs of Ontario and Tompkins. Interest in the process of workplace change rather than a focus on outcomes or products seemed to guide efforts in Tompkins County, perhaps partly because of its close ties to the academic community through Cornell University.

The level of involvement of elected officials and middle managers also varied. In Genesee County, middle managers may participate in the negotiating process and sit on labor-management committees. In Tompkins County, middle managers are well represented on total quality management committees. In Ontario, where the committees create a direct channel from workers to top management, it is less clear that middle managers are adequately incorporated into the structure. Tompkins is the only county in which an elected official sits on the countywide labor-management committee. In Genesee County, county management felt that by not participating in committees, elected officials maintained a beneficial distance from the process. Whether elected officials should be involved may depend on the extent of the changes being implemented; in a more formal and expensive process such as TQM, their participation seems more appropriate and essential, while it may not be necessary for internally focused committees.

### **CONTINUUM OF COOPERATIVE TOOLS**

The three cooperative tools exist along a continuum based on the complexity of the tool, the level of investment required, and its degree of departure from traditional labor-management relations. The following diagram illustrates this continuum:





A government with labor-management committees may not choose to implement a TQM program, but a government without labor-management committees may not be wise to implement TQM as its first cooperative effort. Thus, the diagram may also be viewed as a time line of cooperative structures, indicating a progression from relatively simple tools such as labor-management committees to more complex, formal, costly, and comprehensive processes such as TQM. Other tools we did not observe in our counties could be added to this model, such as gainsharing.

#### LIMITATIONS AND FURTHER QUESTIONS

As tools for restructuring, the cooperative methods discussed here have several limitations. Their ability to affect the external policy environment is limited, so they are constrained by the political contexts in which they must operate. They also do not afford an opportunity for citizens to become more involved in government. Since public support for its activities is important to local governments, they should come up with ways for creating greater citizen involvement in their restructuring efforts.

Many questions emerged during the course of our study. First, what is the true impact of cooperative tools and processes on middle management? Much has been written about the downsizing of middle management in the private sector. Is this also the case in government? Second, what are the appropriate roles for citizens and elected officials in efforts to restructure government—through both internal and external methods? Finally, our cases only addressed examples of successful cooperative tools and processes in counties that had developed a significant degree of trust between labor and management. What are the outcomes of cooperative initiatives in counties that lacked this precondition of trust?

## REFERENCES

- Appelbaum, Eileen, and Rosemary Batt. 1994. *The New American Workplace: Transforming Work Systems in the United States*. Ithaca, NY: ILR Press, Cornell University.
- Chandler, Timothy, and Peter Feuille. 1991. "Municipal Unions and Privatization." *Public Administration Review* 51 (1): 15-22.
- Chandler, Timothy, and Peter Feuille. 1994. "Cities, Unions, and the Privatization of Sanitation Services." *Journal of Labor Research* 15 (1): 53-71.
- Cohen-Rosenthal, Edward, and Cynthia E. Burton. 1993. *Mutual Gains: A Guide to Union-Management Cooperation*. Ithaca, NY: ILR Press, Cornell University.
- CSEA. 1995. *Fighting the Privateers: An Activist Guide to Keeping Public Services Public*. Albany: CSEA Local 1000.
- Donovan, Ronald. 1990. *Administering the Taylor Law: Public Employee Relations in New York*. Ithaca, NY: ILR Press, Cornell University.
- Gold, Charlotte. 1986. *Labor-Management Committees: Confrontation, Co-optation, or Cooperation?* Ithaca, NY: ILR Press, Cornell University.
- Hebdon, Robert. 1995. "Contracting Out in New York State: The Story the Lauder Report Chose Not to Tell." *Labor Studies Journal*, Vol 20. No. 1 (spring): 3-29.
- Kursat, Ipek, and Marcia Calicchia. 1994. *Quality in the Public Sector: A Model for Planning, Implementation and Evaluation and A Training Model*. New York State School of Industrial and Labor Relations, Cornell University, Ithaca, NY.
- Kochan, Thomas, Harry C. Katz, and Robert B. McKersie. 1994. *The Transformation of American Industrial Relations*. Ithaca, NY: ILR Press, Cornell University.
- Kochan, Thomas, and Osterman, Paul. 1994. *The Mutual Gains Enterprise*. Harvard Business School Press: Boston, Massachusetts.
- Lawler, Edward. 1990. *High-Involvement Management: Participative Strategies for Improving Organizational Performance*. San Francisco: Jossey-Bass.
- Lawyers Co-operative Publishing Co. 1982 *New York Jurisprudence 2d. Volume 19*. Civil Service Law §347-§404. Rochester, NY: Lawyers Co-Operative Publishing Co.
- Marshall, Ray, et al. 1992. *Restructuring the American Workplace: Implications for the Public Sector*. LERC Monograph Series, University of Oregon, no. 11: 26-27.
- New York State Governor's Office of Employee Relations (GOER). August 1992. *Total Quality Management Initiatives in State Governments: Quality through Participation*. Albany, NY: GOER.
- Osborne, David, and Ted Gaebler. 1992. *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector*. Reading, MA: Addison-Wesley.
- Osborne, David, and Peter Plastrik. 1997. *Banishing Bureaucracy: The Five Strategies for Reinventing Government*. Reading, MA: Addison-Wesley.
- Pendleton, Andrew. 1997. "What Impact Has Privatization Had on Pay and Employment: A Review of the UK Experience." *Industrial Relations* 52 (3): 554-579.
- Rusaw, A. Carol. 1997. "Reinventing Local Government: A Case Study of Organizational Change Through Community Learning." *PAQ* (Winter).
- Savas, E. S. 1987. *Privatization: The Key to Better Government*. Chatham, NJ: Chatham House.
- Savas, E. S., ed. 1992. *Privatization for New York: Competing for a Better Future*. The Lauder Report; A report of the NYS Senate Advisory Commission on Privatization. New York.

- Warner, Mildred, and Robert Hebdon. 1997. "Restructuring Local Government Service Delivery Among Towns and Counties in New York State." Unpublished survey, Cornell University, Ithaca, NY.
- United States Department of Labor. 1996. *Working Together for Public Service*. Report of the U.S. Secretary of Labor's Task Force on Excellence in State and Local Government Through Labor-Management Cooperation (Florio Report). Washington, DC: U.S. GPO.
- United States General Accounting Office. April 1995. *Federal Quality Management: Strategies for Involving Employees*. Washington, DC: U.S. GPO.
- Yin, Robert K. 1984. *Case Study Research: Design and Methods*. Beverly Hills: Sage Publications.

## **APPENDIX A: KEY INFORMANTS**

Steve Alviene, Deputy Director of Labor Relations, New York Civil Service Employees Association

John Bartow, Director, Division of Local Government, New York State Department of State

Franklin Bassett, Administrator, Livingston County Office of Aging

Kate Bronfenbrenner, Sr. Extension Associate, New York State School of Industrial Labor Relations Division of Extension and Public Service

Marcia Calicchia, Sr. Extension Associate, New York State School of Industrial Labor Relations Division of Extension and Public Service

Ken Crannell, Director of Research, New York State Association of Counties

John Crotty, Deputy Chair and Counsel, Public Employment Relations Board

Ron Dougherty, former County Chair, Tioga County

Kevin Flanigan, Supervising Public Employment Mediator, Public Employment Relations Board

Andrew Goodell, former County Executive, Chautauqua County

Todd Greci, Governor's Office of Employee Relations

Robert Hebdon, Assistant Professor, New York State School of Industrial Labor Relations

Scott Heyman, County Administrator, Tompkins County

Sally Klingel, Director, Programs for Employment and Workplace Systems, New York State School of Industrial Labor Relations Division of Extension and Public Service

Karen Macintosh-Frering, Labor Management Coordinator, Ulster County

Alan McAdams, Associate Professor, Johnson School of Management, Cornell University

Barbara Mink, Chair, Tompkins County Board of Representatives and four-year member, Tompkins County Leadership Council

Jeff Osinski, Project Director, New York State Association of Counties

David Pilliod, Assistant Director, Department of State, Division of Local Government

Jim Platner, Director, Chemical Hazard Information Program, New York State School of Industrial and Labor Relations Division of Extension and Public Service

Keith Stack, Special Assistant, Department of State, Division of Local Government

Jeff Swain, Assistant Deputy Comptroller, New York State Office of the Comptroller

## **APPENDIX B: CASE STUDY INFORMANTS**

### **GENESEE COUNTY**

Darlene Acker, CSEA Nursing Home Unit President  
Jay Gsell, County Manager  
Jack Pease, Administrator, County Nursing Home  
Nancy Smith, CSEA General Unit President  
Martha Standish, County Personnel Officer

### **ONTARIO COUNTY**

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

### **TOMPKINS COUNTY**

David Chase, President, CSEA Local 855  
Scott Heyman, (former) County Administrator  
Barbara Mink, Chair, Tompkins County Board of Representatives

## APPENDIX C: INTERVIEW GUIDE

### Project Description

This project is part of a graduate course on local government restructuring in Cornell's Department of City and Regional Planning. Acknowledging the fiscal and legal pressures on local governments in New York State and the importance of front-line workers in service delivery, we have chosen to focus on the role of labor-management cooperation in efforts to improve county government functioning. As an example of success, we would like to examine how cooperation developed in your county and the role that it played in bringing about changes in service delivery or in workplace systems. We have selected counties that have implemented a combination of mutual-gains bargaining, labor-management committees, and/or Total Quality Management initiatives. We plan to interview local officials, union representatives, and managers in order to create a case study investigating the cooperative labor-management programs you have implemented.

### Confidentiality

We would ideally like to discuss the details of this interview, and subsequent analysis of your case, as openly as possible. For that reason, we are asking for your permission to quote and paraphrase this interview in our project. We will provide you with a draft of our interview notes—including any quotes we would like to use—and, if you wish, a copy of the case study itself, for your approval. In addition, in order for our research to be more useful to others, we would like to include your name in our report as a contact. We may be reached easily to discuss any confidentiality concerns, at (607) 255-6647 or by email at the following addresses:

Nicole Blumner nb42@cornell.edu  
Lindy Burt mkb14@cornell.edu  
Jon Gans jag33@cornell.edu  
Lisa Goldberg leg8@cornell.edu  
Kristin Guild kag24@cornell.edu  
Young Sung Kim yk67@cornell.edu  
Chang Kil Lee ckl2@cornell.edu  
Darth Vaughn dkv1@cornell.edu  
Prof. Mildred Warner mew15@cornell.edu

County \_\_\_\_\_  
Organization/Agency/Dept \_\_\_\_\_  
Perspective L M O

Interviewer name: \_\_\_\_\_

Date: \_\_\_\_\_

Interviewee name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Position: \_\_\_\_\_

Time started: \_\_\_\_\_

### **I. What tools are you using to develop labor-management cooperation?**

1. Have you used a mutual-gains bargaining process?
  - a) If so, what was the impetus behind it?
  - b) Is the contract that resulted still in force?
  - c) Do you expect mutual-gains bargaining to be used in the future?
2. Do you have active labor-management committees in your county?
  - a) How do they (does it) function (for what functions or around what issues)?
  - b) Are they effective in solving workplace problems?
  - c) If so, what types of problems?
3. Do you have a TQM program?
  - a) How does it work? What departments are involved?
  - b) Are there mechanisms for implementing TQM committee recommendations?
  - c) Have any TQM committee recommendations been implemented?
  - d) Do you think the program is successful?
4. Are there other efforts to engage labor in decision making?

### **II. What are the necessary elements to build a cooperative labor-management relationship in local government in New York State?**

1. What previous conditions, if any, existed in your county that made cooperation possible?
2. What challenges did labor and management face going into the process?
3. What type of training preceded the effort?
4. Who were the key players?
5. How do perceptions of labor and management affect the process?
6. Was privatization a factor in the decision to change the labor-management relationship?

### **III. What goals do local officials, labor, and management hope to achieve through cooperation?**

1. How were these goals articulated?
2. What do you think were the goals of the other key players?

3. Were there any conflicts between goals of the different parties?
4. So far, have goals been met by cooperative labor-management initiatives?
5. Which programs have met expectations? Which have not met expectations?

**IV. What impact does a successful cooperative program have on:**

(A) future labor relations?

Are there new relational systems in place?

Permanent committees, new communication networks?

Are grievances handled any differently? Are fewer or more grievances filed?

Are there impacts on employee morale?

Are employees encouraged to innovate?

(B) service quality?

Are any objective measures of quality used?

If not, how *would* you measure the effects on quality, if you were to do so?

Are customers asked about their opinions of service quality?

If so, have they remarked of any change in service quality?

(C) cost?

Are there ways to determine whether the cooperative program results in cost savings?

Were there substantial costs involved in the implementation of the program?

**V. What do you wish you had known about this process before embarking on it?  
What advice would you offer to others?**

-Key lessons?

-Unforeseen problems?

-Were there any particular resources that you found valuable?

**VI. Are there any available background documents (memos, contracts, newsletters)  
which you could provide us?**

We will fax the interview summary to you on April \_ and call you for approval shortly after. We do really want your comments, but we're on a very tight schedule so we'll be asking you for a quick turnaround.

The information you provide is very valuable to us, and we appreciate your time. Thank you!