



Better Together:

University of Michigan's Labor-Management Partnership

By Catherine Lilly, Sabrina Garrett Owens and Kelle Parsons

Over the course of four years (2005 through 2008), a whopping 1,465 grievances were filed by members of the American Federation of State, County and Municipal Employees (AFSCME) Local 1583 against the University of Michigan (UM). At an estimated cost of \$650 per grievance, the impact of these activities approached nearly \$1 million in lost productivity.

And this price tag didn't even account for the cost of related churn by employees in HR and the local units, nor did it include the opportunity costs of focusing on frustrating grievances (often non-contractual) rather than moving forward strategically to meet the challenges facing the institution. UM supervisors and union stewards frequently characterized grievance hearings as suspicious, mistrustful and disrespectful. Even more troubling, employee surveys conducted at UM in 2005 and 2006 showed bargained-for staff to be the least satisfied, least engaged and least empowered of all employees.

In the spring of 2007, AFSCME leadership appealed directly to the UM board of regents for help. Grievances had been on the rise for several years, and frustrations were high on both sides of the labor relations table. In

short, the situation had become increasingly negative and complex. The university's executive vice president and chief financial officer responded to the board with a promise that the situation would improve and assigned human resource and organization development professionals to focus on developing a more positive relationship between the union and the university.

With the endorsement of AFSCME leaders, the associate vice president of HR also engaged the special expertise of a consultant in public sector labor relations from the Harvard University Kennedy School of Government. The consultant offered a vision of the benefits of a true partnership, stating, "Labor and management stay in collaborative relationships because they yield important results. Working together can lead to creative, empowered workforces, greater efficiency and higher quality."

Precedents

Adhering to the principle of "building on what's working," we began looking around our decentralized institution to see if there were any pockets of best practices from which to learn. We discovered that two grassroots collaborative efforts between unions and

management had emerged at the University Hospital a number of years earlier. These joint efforts had increased employee morale while decreasing voluntary turnover and grievances. Unfortunately, with changes in leadership on both the union and management sides, these programs were abandoned and the situations had returned to their previous states. However, positive principles had been established which we thought could be used to produce similar results.

We had also recently been engaged by a visionary leader to support a pilot project in Building Services, one of the larger AFSCME units, to use similar positive

As a result of these discussions, in early 2008, we convened and facilitated the Leadership Collaboration Group (LCG) with the purpose of developing a comprehensive university leadership approach to building a positive future with our AFSCME partners — a future representing the interests of all parties and grounded in the principles of collaboration and mutual respect. In initial cross-functional discussions, the leaders of the LCG affirmed the benefits of collaboration and identified that the purpose of meeting was to work with each other and union leadership to improve satisfaction, climate, local problem solving abilities and, ultimately, the productivity of staff represented by AFSCME in order

Would it be possible to gather all top managers of AFSCME-represented staff from across our silos and “scale up” our work together? Could we collectively collaborate ... with the AFSCME leadership on an organization-wide level?

organizational principles. As a first step in that project, union stewards and departmental supervisors participated in a retreat to begin building trusting relationships and mutual accountability. Together they established a surprisingly shared vision of the future toward which to work and agreed to begin meeting to implement an action plan. UM supervisors and union stewards alike observed the goodwill and positive energy resulting from working together in this way. All of these projects underscored for us the potential benefits that could result from these types of programs.

The Start of Something Good

In the fall of 2007, the labor relations consultant shared her findings with us and offered specific recommendations for how UM and the AFSCME local could work together, in the spirit of the previous joint efforts undertaken at UM, to reach our common goals. After hearing the consultant’s suggestions, we wondered: would it be possible to gather all top managers of AFSCME-represented staff from across our silos and “scale up” our work together? Could we collectively collaborate more proactively and consistently with the AFSCME leadership on an organization-wide level? Soon various campus, medical center, HR and OD leaders began to consider how these approaches could be used and this positive energy harnessed for the benefit of the institution as a whole.

to do an increasingly better job serving our university customers. The group represented the management and HR professionals responsible for the 2,400 AFSCME-represented employees at UM in three vice presidential areas and over 14 departments.

One challenge the leaders recognized from the earlier pilot programs was continuing these efforts regardless of turnover in university, HR or union leadership. The group recognized that although positive strides had been made with the incumbent union leadership, the AFSCME local elections were quickly approaching and management needed to remain neutral and continue working together on behalf of the university — as a management and HR group — regardless of union election outcomes. The group saw value in continuing to share best practices across departments, even if the current or future union leadership was unwilling to collaborate directly.

Partnering in Progress

As we expected, the 2008 elections did indeed bring about a change in union leadership, so representatives from the LCG quickly approached the new union leadership to begin building a positive relationship and explore possibilities for working together on a collaborative program. The initial meeting led to the creation of the “joint design team.”

The joint design team proposed a year-long Joint Education Program to be developed and presented

collaboratively, involving union representatives and supervisors of AFSCME employees. The proposal outlined the initial goals of improving local problem solving, building relationships and developing capacity for continuous improvement, with a short-term target of reducing grievances. The proposal included three rounds of training for all supervisors and union stewards, management “check-in” sessions and “back at the ranch” activities for conversations within work groups to engage the AFSCME-represented employees.

The LCG endorsed the pilot program proposal, and the top leaders from each of the three main UM units involved agreed to sponsor and support the program financially. The design team — with representatives from HR and management, organization development specialists and union leadership — began working in earnest together to plan the initial kickoff sessions and year-long programming.

2009: Pilot Sessions

Kickoff Training Sessions, January

Themes: Clarifying the Grievance Process, Building Relationships, Understanding Conflict Styles

Focusing on the goal of consistent contract interpretation, the design team agreed to feature an in-depth clarification of the grievance process at the first session. To be successful with this training objective, the team initiated a joint grievance process subcommittee to agree on contract language interpretation before presenting to the supervisors and union stewards. This effort was time-intensive for committee members, but well worth it in achieving clarity. It enabled the dialogue necessary to the delivery of a clear and agreed-upon message to all supervisors and stewards, presented jointly by a union leader and an HR leader. The AFSCME Local 1583 bargaining chair expressed her hope: “This is a very good beginning, and if each of us continues to invest in the relationship, it will grow into a more trusting and viable one.”

Second Sessions, May

Themes: Consistency in Work Rules, Further Clarity in Grievance Process, Meeting in a Box

Like many universities, work rules vary significantly between departments at UM. “Consistency in application of work rules” was selected as the key theme for the second round of training sessions. Since employees often change departments to advance pay grades, they often encounter very different work rules and are sometimes caught unprepared. In one unit, staff can show up an hour late with no discipline; however, in another unit, employees are “late” at 8:01 a.m.



UM supervisors and union stewards building a “card palace”

The design team understood the different business requirements that necessitate different work rules, so they designed an engaging experiential activity called “Building a Card Palace.” The card palace activity asked participants at each table to build card “palaces” using a deck of cards, tape and

scissors. Each table had to create either a “royal palace” (face cards visible), a “people’s palace” (number cards visible) or a “design palace” (card backs visible). After the first round, some participants rotated tables, but were unaware that the table had a different rule. While some tables successfully oriented their new members to their table’s rules, others weren’t so successful. This activity sensitized all participants to the various situations in the university and more correctly reinforced the importance of clearly communicating expectations and rules to new employees.

The “meeting in a box” concept was introduced during the May sessions as a forum for bringing the messages of the Joint Education Program to the front-line staff. The team created for supervisors a packet of meeting information and a sample agenda, along with a facilitator guide for the meeting, which was to be held over the summer. The goals were simple but important: to share the “working better together” message with the front line, to ask staff for ideas on improving their work groups and to draft a vision for

working better together. Helpful resource documents that participants requested in the January sessions were handed out, including a simplified grievance process flowchart.

Third (Added) Training Sessions, August/September

Theme: Training for Revisions to AFSCME Contract

When the labor contract was signed in August after a speedy negotiation process, the design team quickly added sessions for contract training (originally forecast for November). For the first time in UM's history, the contract changes were presented jointly by a panel of both UM and AFSCME bargaining team members. This joint presentation to our mixed supervisor and union steward audience served to ensure that everyone was on the same page and led to significant improvements in consistent interpretation of contract language — a key goal of the Joint Education Program.

Fourth Sessions, November

Themes: Family and Medical Leave Act and Lessons Learned From "Meeting in a Box" Employee Engagement Activities

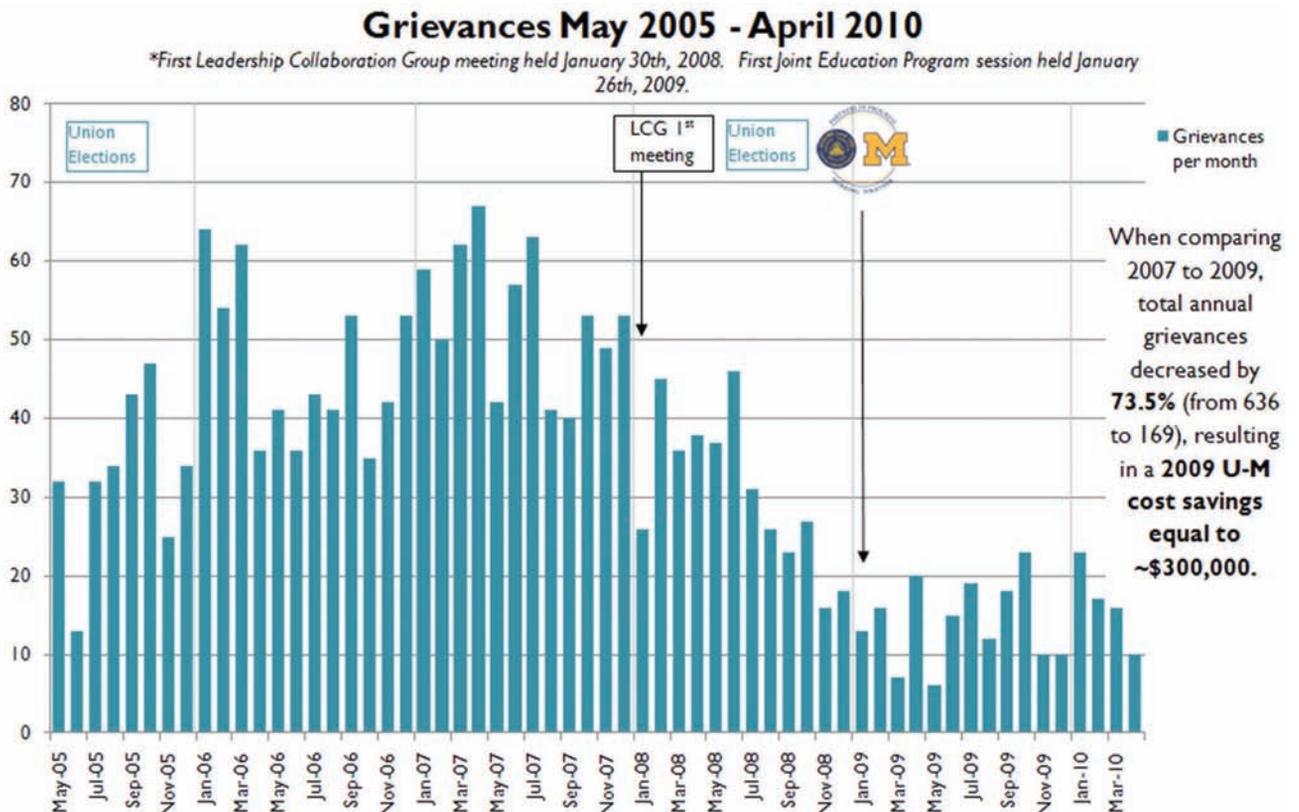
To wrap up the busy pilot year, the design team created two-part sessions focused on clarifying provisions of

the Family and Medical Leave Act (FMLA) and sharing experiences from the "meeting in a box" engagement activity. These staff meeting debriefings provided an opportunity to share ideas and discoveries between diverse departments. Experiences varied widely; some supervisors noted it was their first time holding a staff meeting, while others shared ideas for interactive role-playing opportunities they created for their staff.

Holding Ourselves Accountable by Measuring Results

Since proof of positive results is critical to growing and maintaining a successful program, measuring results was a key element in the design of our Joint Education Program initiative. Not only do positive results encourage top leadership to continue investing in the program, but they also provide program attendees and supporters with talking points and a sense of progress. The LCG jointly reviews progress on a series of metrics at each meeting.

By December 2009, grievances had begun dropping significantly. In just three years, grievances have fallen by 76 percent, resulting in \$300,000 in productivity savings across UM departments.



“Operationalizing” the Program for the Future

After the pilot year was complete, the joint design team proposed a continuation of the program to the Leadership Collaboration Group, which agreed to fund and support the program on an ongoing basis. The initial results that the Joint Education Program demonstrated were key to continued support.

Special Focus: AFSCME Contract Negotiations

After the May training sessions wrapped up, UM initiated contract negotiations with AFSCME.

The HR unit determined that an interest-based bargaining (IBB) approach to negotiations would be the most productive. This wasn't the first effort with IBB for UM and AFSCME; however, prior efforts had been terminated abruptly during challenging issues.

The university contracted with a local university labor expert who had an excellent reputation with both unions and employers to facilitate negotiations. Prior to beginning negotiations, the bargaining teams spent three full days in training learning the principles of IBB, which are: separate the people from the problem; focus on interests, not positions; generate options for mutual gains; and use objective criteria.

This collaborative approach to bargaining resulted in the successful negotiation of 33 issues in a record 16 sessions, all accomplished prior to the contract expiration date, which the union membership overwhelmingly supported during the ratification vote.

The bargaining team consisted of 25 staff members, so reducing the number of bargaining sessions also significantly lowered UM's costs in lost productivity. The lessons learned in the Joint Education Program set the stage for positive contract negotiations.

Additional Training Themes

In response to specific concerns from union leadership, the April 2010 sessions focused on harassment training. Leveraging internal campus resources, the design team utilized the UM office of institutional equity's Campus Commitment training for the supervisors and union stewards. Fall 2010 sessions focused on facilitation skills and were linked to another round of “meeting in a box” activities to engage front-line staff.

Keys to Success: Logistics Are Surprisingly Important

In a comprehensive culture change program like this one, logistics become a very important consideration, as everyone is paying close attention to the communication cues that signal true collaboration. We learned that, contrary to what the book might say, we sometimes do have to “sweat the small stuff.” Here are some examples:

- At the start of the program, we created a Joint Education Program logo to brand our activities. This logo appears on all of our materials, at our training sessions, on all of our communication and on our website. (Message: all players — HR, union and university management — are equally important to the success of this initiative. No single group is driving it.)
- To meet the goal of building high-quality relationships among union stewards and supervisors, all stewards attended each session during the early rounds of the program. One steward sat at each table of five to seven supervisors, and they rotated during breaks. This meant that all supervisors interacted with at least two stewards in every session. (Message: enabling shared experiences outside of the grievance table does build relationships.)
- Sessions are scheduled so that top campus leaders and union leadership can jointly welcome participants and highlight the importance of each session's content. (Message: our senior leaders on all sides are holding themselves, supervisors and stewards accountable to learn and apply information together.)
- For every round of programming, multiple identical sessions are held on different days and at different times, accommodating the business needs of various

departments. (Message: this is not a program scheduled for HR's convenience.)

- When the program design calls for any small-group activities, the design team pre-assigns participant seating using a max-mix principle. Max-mix provides for the "maximum mixture" or diversity of departments and viewpoints at each discussion table. (Message: A key to success is cross-department discovery, mutual support and participant sharing of successful practices.)

Lessons Learned

The success of the Joint Education Program thus far is due to many things. Like any major change project, getting the right people on board was, and still is, crucial to the success of the program. Encouraging committed,

and training sessions by all participants. This includes the 28-member Leadership Collaboration Group and the Joint Education Program design team and extends to the 80 percent participation level of all supervisors across the institution in the training and relationship-building programs. We have conducted a thorough stakeholder analysis and have committed to personally reaching out by all means necessary to keep everyone, everywhere engaged in the success of the program. Through continuous communication and engagement of many forms, we have kept the inspiration and promise of collaboration alive.

Challenges Going Forward

To avoid becoming the "flavor of the month" that our front-line staff and supervisors distrust, we face challenges in maintaining energy and momentum. As the

In just three years, grievances have fallen by 76 percent, resulting in \$300,000 in productivity savings across UM departments.

visible, high-level management sponsorship is crucial to ensuring that the program has the important university leadership that can't be provided by HR, training or OD professionals alone. Preparing for the unexpected obstacles is something we've (almost) mastered. We've overcome challenges from sudden sicknesses, ice storms, equipment failures, reluctant leaders, misinterpreted communication and pessimistic supervisors.

The creativity and resilience of the design team and the commitment of the sponsors has seen us through many difficulties. Long memories, vague contract language, unclear policy interpretations and lack of awareness of existing resources have been lurking variables in the challenge to truly collaborate. Creating joint subcommittees to resolve specific conflicts in advance of training sessions has been a successful strategy to maintain a united front.

Finally, the program is achieving its goals through investing the time needed in communication, meetings

coordination of the program transitions to the next group of internal leaders, we must continuously plan for changes in leadership (on both sides) and orient these leaders to the culture and values we are building. Specifically, we are challenged to bring new AFSCME supervisors up to speed with the program, skills and expectations developed over the last two years. Our second AFSCME election in the spring of 2011 will bring a good test of our ability to provide continuity despite changes. 

Catherine Lilly is senior advisor to the executive vice president and chief financial officer at the University of Michigan. She can be reached at clilly@umich.edu.

Sabrina Garrett Owens is associate director for labor relations at UM. She can be reached at sowens@umich.edu.

Kelle Parsons is training and development associate at UM. She can be reached at kcparsons@umich.edu.