PUTTING THE BEST PRACTICES INTO ACTION

HOW TO USE THIS TOOL KIT[149]

As we have emphasized previously in this Tool Kit, when launching a LMG initiative the "Tools" described should be adapted to the particular context – i.e., cultural, social, legal, physical and economic -- in which the initiative will take place. For this reason in this Tool Kit we have avoided use of the word "replicate," as replication is inappropriate and unlikely to succeed if the context is different from where the Tool was first successfully applied -- and it always is. In addition, replication is also a limiting concept in that by its very nature it implies an uncritical subservience to something that someone else has done somewhere else.

In the same vein, limiting consideration of Best Practices to just the ten described in this Tool Kit would also chill the creativity, sensitivity and flexibility that is so critical to the success of a LMG program. We have chosen each of these ten Tools either because it is in some sense among the most fundamental or because it appeared frequently in the Best Practice case studies. In all candor, however, limiting the discussion to these ten is to some extent arbitrary. This is an important point, since LMG cooperation requires the creativity, imagination and commitment of capable individuals in order for it to even have a chance to succeed. Therefore, we do not envision that practitioners using this Tool Kit will limit themselves to the parameters of these ten Tools, but will instead use these Tools to generate their own ideas that can succeed in their own context.

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[149]   By David Thaler.

With the above considerations in mind, it is our intent that this Tool Kit serves a useful baseline for labor relations practitioners who want to develop their own innovative LMG cooperative programs. It is thus useful to take a step back from the Tools themselves and focus conceptually and sequentially on the steps necessary for a successful LMG program that have the most applicability cross-culturally. If practitioners can successfully navigate the following steps, the chances of success are on their side.

- **<u>Step One</u> – Articulate For Yourself A Clear Vision Of Where You Want To Go And How You Plan To Get There**

- **<u>Step Two</u> – Approach The Key Players**

- **<u>Step Three</u> – Agree With The Key Players On The Structure and Process for the Initiative**

- **<u>Step Four</u> – Make Sure The Initiative Is Sustainable And Flexible**

We will elaborate on the elements of each step below.

STEP ONE – ARTICULATE FOR YOURSELF A CLEAR VISION OF WHERE YOU WANT TO GO AND HOW YOU PLAN TO GET THERE

In order to inspire others to act you must have an idea of what you want them to do. This does not mean that you have to have an *exact* idea, only a roadmap. In fact, consistent with what we have said above, constraining the stakeholders by thrusting too rigid a vision on them risks chilling the initiative and creativity and enthusiasm that is indispensable to a successful LMG program. Nonetheless, it is important to engage in some

self-reflection at the outset of the initiative. In doing so, you might want to address the following questions.

Why are you promoting a LMG cooperative initiative? What problem will it address?

LMG initiatives generally arise from necessity. They almost never are the product solely of the desire for a "feel good" measure. LMG initiatives arise from threats to the stability of the organization and to job security. These threats can be the product of many different factors: e.g., sudden and intense competition (either domestic or international); changes in the regulatory or legal environment; sudden changes in consumer preferences; loss of a formerly reliable customer base; a sharp increase in the cost of inputs; or political or economic instability in the economy. In some cases, the threat to the organization arises from strife caused by poor labor relations, separate and apart from factors in the external environment.

Though it may seem an obvious point, in order to sell the initiative to the key stakeholders, it is very important to be crystal clear on why your proposed initiative is worth the considerable effort and resources it will require.

How do you plan to address this problem through LMG cooperation?

Match the method to the solution. That is, think through the nature of the problem that your initiative seeks to address and tailor your initiative so that it best addresses that problem. Causation should be clear. For

example, the organization's problem may be that its competition has designed a process to produce its goods faster and at a cheaper price. The short-term response may be a joint committee of the most insightful and creative front-line workers and managers that is charged with developing a method that matches or hopefully surpasses that of the competition. The long-term response might be to set up an ongoing consultative mechanism – e.g., in the form of a Labor-Management Committee (LMC) of the type discussed in Chapter 2 – to continuously monitor cost, quality and efficiency and ensure that the organization does not fall behind the curve again. The LMC can also be supplemented by other Tools in the Tool Kit such as **New Channels of Communication**, **Devolution of Decision-Making**, and **Interest Based Negotiations** principles. In addition, an experienced Third Party Neutral can be brought in to guide the LMC in its early phases.

The important point at this stage is to clarify for yourself how the LMG initiative that you are proposing will produce the desired result.

What are the forces in favor of and against the success of the initiative?

As was emphasized in Chapter 10, a LMG initiative cannot succeed if the proponent(s) do not sell it to the affected stakeholders at the outset. The stakeholders must "buy in" to the idea. To determine where and how to focus your energies in this regard, it is useful to conduct a "force field analysis." A force field analysis is a visual representation of the positive and negative forces at work when moving toward a goal. To reach the goal -- in this case the establishment of a LMG cooperative initiative -- the

positive forces must be strengthened and the opposing forces persuaded to buy in.

A useful visual Tool is to create a "T" table listing the positive forces (those helping to create a LMG program) on the left side of the page, and the negative forces (those opposing and potentially weakening a LMG program) on the right side of the page, as in the following example:

Positive Forces (people)	Negative Forces (people)
Union Leadership	Old Line Faction of the Union "Rank and File" Membership
Chief Executive Officer	Vice President for Human Resources
Chief Financial Officer	Middle Managers
Shareholders	Chief Engineer
Vice President for Public Relations	

It is not important that you be able to fully assess every possible supporting or opposing force. They will become apparent soon enough, but the better prepared you are, the more likely you will be able to galvanize your support base and persuade your potential opposition. Importantly, from the beginning you should also keep in mind Chapter 1's admonition to ensure the support of top-level union and management leadership, without which the initiative is almost definitely doomed to failure.

***How* will you galvanize support from those likely to be in favor of the initiative and persuade those who might be against it?**

Remember the crucial acronym, WIIFM (What's in it for me?). This is an extension of the Interest Based principles that were discussed in Chapter 6. More concretely, emphasize the benefits of LMG cooperation in terms of how it will help the interests of the people you are trying to persuade to support it.

For example, consider the case of the middle managers that are afraid that their decision-making authority and control over their units will be diminished if the initiative involves devolution of decision-making. In response to their concerns, you may tell them that LMG cooperation actually tends to *increase* accountability all around. They will get more and better information about what is going on in their units, and will be able to make better decisions accordingly. The only sense in which they may lose some "control" is if front-line workers are allowed to make on-the-spot decisions concerning efficiency and quality. Remind the middle managers that devolving appropriate decision-making authority to front-line workers enhances their enthusiasm for their work because it allows them ability to "create" in accordance with their values, talents and abilities.[150] Such enthusiasm tends to inspire the maximum effort that any rational manager wants, in terms of quality, efficiency and productivity (or however the incentives are structured). If a manager would rather have control, as opposed to enthusiasm and effort that produces enhanced quality, efficiency and productivity, he or she may not be the best manager for the job.

To more concretely address the middle managers' concerns, however, it might be prudent to include a mechanism that provides for their subsequent review of front-line workers' decisions and the ability to

overturn them if they do not meet specified criteria such as increasing quality and efficiency. Another safeguard would be to carefully delineate the types of decisions that front-line workers can make according to the D1-D3 framework that was discussed in [Chapter 4](#).

In the early planning stages of your initiative it might be useful to conduct an initial *interest analysis* for the key stakeholders. An interest analysis is your best assessment of the interest(s) that each stakeholder will be trying to protect and further as the organization decides on whether to embark on a LMG initiative. Your interest analysis might look something like this:

Stakeholder	Interest(s)[151]
Traditional segment of union "rank and file" membership	Avoid change that may require them to learn new skills in order to remain relevant to the organization; avoid elimination of jobs due changeover to quicker, more efficient or more capital intensive production methods
Vice President for Human Resources	Avoid becoming irrelevant in the wake of a breakdown of the traditional system of job classifications or through alteration of the traditional incentive structure
Middle Managers	Avoid reduction of decision-making authority and control over their units
Chief Engineer	Avoid a compromise of the integrity of the manufacturing design process that could result if too many workers can alter it; avoid loss of control

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[150]   Please see the discussion of Abraham Maslow's hierarchy of needs in the Introduction at Section III.

Once you have identified the parties' interests, it is not too early to begin thinking how one might address those interests. However, it is critical to let the parties themselves have a major role in crafting a solution to address their interests. It is much less likely that they will buy into something that you propose, especially if they feel threatened by the LMG initiative in the first place. Nonetheless it is helpful to come to the discussion armed with some food for their thought that they can, through joint Interest Based Problem Solving, operationalize into solutions that meet their interests. This step is called a *Preliminary Analysis of Solutions.* (PAS).

Stakeholder	Interest(s)	Preliminary Solution
Traditional segment of union "rank and file" membership	Avoid change that may require them to learn new skills in order to remain relevant to the organization; Avoid elimination of jobs due changeover to quicker, more efficient or more capital intensive production methods	Ensure adequate training with sufficient time to become trained; do not penalize those who are slow to learn; reward those who learn new skills
Vice President for Human Resources	Avoid becoming irrelevant in the wake of a breakdown of the traditional system of job classifications or through alteration of the traditional incentive structure	Give the Human Resources VP a significant role in developing the structure for modifying the job classification system to accommodate the LMG initiative, if it is necessary at all; same idea for the incentive structure
Middle Managers	Avoid reduction of decision-making authority and control over their units	Increase accountability of front-line workers to middle managers; build in a review process by middle managers
Chief Engineer	Avoid a compromise of the integrity of the manufacturing	Give the Chief Engineer a prominent role in

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[151]   The interests of the "negative" forces are listed here for illustrative purposes. It would also be prudent to list the interest of the likely supporters of the initiative in order to galvanize their support and keep them on board in case problems arise.

design process if too many workers can alter it; Avoid loss of control	determining which decisions would be appropriate for front-line workers; make front-line workers in essence "gatherers" of important data about the work process that can feed into the Chief Engineer's future decisions

Finally, as a general rule it is important to remind the various stakeholders that not all of their interests are mutually exclusive of others', that in fact there are many mutual interests that can arise from a LMG cooperative program. Looking for mutual interests is one of the most helpful habits for workers and managers to develop and can mark the development of a true cultural change in the organization. For this reason it is also helpful to list the parties' mutual interests:

MUTUAL INTERESTS

- Greater profitability
- A more pleasant work environment
- Greater job security
- A more enthusiastic and fulfilled workforce
- Clearer procedures that do not chill initiative or morale

Now that you have your game plan in mind, it is time to go out and sell the initiative.

STEP TWO – APPROACH THE KEY PLAYERS

How to get the key stakeholders' attention?

As was alluded to in Chapter 9 (Build Alliances with other Stakeholders), in a more narrow sense in Chapter 1 (Support for LMG Cooperation Must Come From the Top), and in the previous section, at the outset of a LMG initiative it is crucial to "sell" the initiative to key stakeholders. They must come to conceive of it as "their initiative."

While the last section dealt with your own internal strategizing for this process, this section deals with the actual process of mobilizing the stakeholders. As any good businessperson knows, it is hard to be a good salesperson without also being good at marketing, i.e., getting your message across. There are various ways to do this, but in all cases it is good to build *top-down* support.

By top-down support, in the context of a LMG initiative it makes sense to approach top management and union leaders (and appropriate government officials if the government is to be involved), explain to them your assessment of the problem and how the LMG initiative that you are proposing is tailored to address the problem. Emphasize the *urgency* of developing this initiative in order to address the problem. It would also be appropriate to address your preliminary assessment of interests and how some of those interests might be addressed through joint Interest Based Problem Solving.[152]

As is the case with all sales situations, your enthusiasm and your genuine belief in the value of your product are paramount. The desired goal of

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[152]   It should be noted that Interest Based Problem Solving (IBPS), while quite intuitive once it is learned, is also a highly refined skill that often must be imparted through formal IBPS training. A significant number of Third Party Neutrals are qualified IBPS trainers.

such initial consultations with top officials is to get them to agree to sit down to a meeting to organize the initiative. That meeting will be discussed in the next subsection.

Once top-down support is assured, it is also helpful to build *bottom-up* support. By generating bottom-up support, we mean informally disseminating ideas throughout the rank and file workers in the organization as well as middle managers. In this regard, if you are able to count on a cadre of confidantes and strong supporters of the LMG initiative (preferably bipartite or tripartite), it would be helpful to have them go back to their units and informally spread good publicity concerning the numerous benefits of LMG cooperation. Get the rumor mill going, but in a positive way. Have them encourage people to start thinking about how LMG collaboration can meet their interests. You will not be able to win over everybody in this way, as there are always doubters and people who thrive on conflict, but you will hopefully create enough of a consensus to get the initiative off the ground and sustain it as it develops.

A word about sequence: it is generally wiser to first approach top management and labor officials to get their buy in. If for some reason they do not buy in, and the rank and file like the idea, there is a risk of actually making labor relations worse. As with the medical profession, labor relations practitioners must remember to "first, do no harm." However, the proponent of the initiative should not put her instincts entirely to the side. In some circumstances it may be possible to use bottom up pressure to convince top management and labor officials to buy into a LMG initiative. Whether that is the case depends on the particular circumstances in an organization.

How to organize the key stakeholders once you have their attention

Now that you have the buy in of representatives of your key constituents (i.e., labor, management and government officials with authority to represent their constituents[153]), you should arrange for an initial meeting to incorporate them as partners in moving the initiative forward. As was illustrated by the cases discussed in Chapter 9, if there are other stakeholders from the community that may influence the success of the initiative, they should be included as well. It is important to "let go" to some extent at this meeting and let the group take ownership of the process. It is crucial that all key stakeholders leave the room feeling that they have been heard and that their concerns will be addressed through this process. If you are too intimately associated with the interests of one side, you might consider working with a Third Party Neutral to get the initiative off the ground.

This initial group that meets may be referred to as the *Steering Committee*.

At the first Steering Committee meeting, the parties should develop of "road map" of where they want the initiative to go. Basic elements of action planning will suffice. An effective action plan will clearly define a task to be completed by someone in the group, state "by whom" it will be completed, "by when," and may have some milestones where appropriate.

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[153]   The importance of frequent and comprehensive communications with constituents cannot be overemphasized. Many Third Party Neutrals have had the experience where management representatives agreed to something that was not approved by top management, or where union representatives agreed to something that was not ratified by the members. In both cases, the agreement was totally undermined. As with collective bargaining, there is a similar danger that improper communication can undermine the most well intentioned LMG initiatives.

The following chart shows these basic elements of an action plan and their applicability to a LMG Initiative.

TO DO	BY WHOM	BY WHEN	STATUS[154]
Finalize list of representatives on Steering Committee to develop the structure and process for the initiative	Carol	March 1	
Develop agenda for the second meeting of the Steering Committee, including possible issues for the initiative to address or resolve and possible structures and processes for it to do so	Nigel	March 15	
Hold second meeting of the Steering Committee: assign a small working group consisting of at least one person from each stakeholder to develop a formal structure and process for the initiative, consistent with the guidance provided by the Steering Committee (e.g., an LMC and devolved decision-making, supported by an offsite retreat, training in Interest Based Problem Solving, and implementation of rules to reduce status boundaries and produce other cultural changes)	Linda (Third Party Neutral)	April 1	
Small working group communicates with Constituents to obtain feedback as the initiative progresses; meets off-line as needed	Small Working Group	April 1- May 15	
Hold third meeting of the Steering Committee. Provide feedback on the work of the small working group	Linda (Third Party Neutral)	May 15	

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[154] The status will be filled in at subsequent meetings.

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Communicate with constituents to obtain feedback as the initiative progresses. Stakeholders meet off-line to iron out any differences concerning the structure and process of the initiative	All parties	May 15-June 15	
At fourth meeting of Steering Committee, small working group proposes formal structure of initiative to Steering Committee	To be determined at April 1 Meeting	June 15	
Steering Committee obtains approval of initiative by constituents	All parties	July 1	
At fifth and final Steering Committee meeting, the Steering Committee designates members of permanent structure that is empowered to launch initiative		July 1	

Of course, the action plan can be modified as time goes on. For example, someone can be assigned the task of assessing the resources for the initiative at the May 15 meeting. Another person can be assigned the task of obtaining survey data to assess the receptivity of middle managers and the rank and file workers with respect to certain issues. The important point is to have a process that is open, flexible and by which everyone can feel that they have been heard. In the end the goal is the launching of the initiative itself.

STEP THREE – AGREE WITH THE KEY PLAYERS ON A STRUCTURE AND PROCESS FOR THE INITIATIVE

The above sample action plan takes us from the initial Steering Committee meeting right up to the launching of the initiative itself. In this section we

will take a step back, to the part of the action plan that involves the work of the "small working group." The small working group has the crucial task of developing the "meat and potatoes," or the substance of the initiative. This section will examine what structure and process the small working group might consider as it develops it proposed initiative, and will serve as a brief as a review of some of the Tools from the Tool Kit.

To illustrate the flexibility of LMG cooperation, we will consider it from the perspective of three different time lines: (1) *immediate problems* that are so pressing that there is no time for small working group acting pursuant to a formal action plan; (2) *ongoing issues* in the organization that can be dealt with through LMG cooperation; and (3) the desire to effect a *culture change* in the organization to enable it to mobilize labor and management over the long term. Accordingly, the Tools from the Tool Kit below can be placed on a continuum of their applicability ranging from immediate crisis to long-term culture change.

Immediate Crisis	Ongoing Issues	Long-Term Culture Change
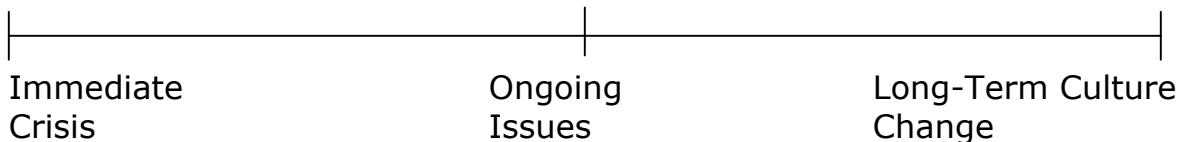
For purposes of this discussion, it is not important that we pigeonhole each Tool into one particular category. As we will see, an **LMC** can be used to address an immediate crisis but is more often used for ongoing relationship building. **IBN** or **IBPS Training** can be used to enhance parties' ability to communicate effectively or it can be used to effect a long-term culture change. The same can be said for **Going Off-Site to Retrain and Retool**. **Lowering Status Barriers**, for its part, falls squarely in the category of long-term culture change.

How to stop the bleeding: what problems are so pressing that they need to be dealt with immediately?

An organization does not always have the luxury of time required for a full-blown action plan of the nature described above. Sometimes crises arise in the form of a physical disaster, a sudden and severe economic crisis provoked by a specific event, or simply a financial crisis that has not yet been dealt with, where massive layoffs and the closure of the plant are an imminent possibility. In such cases, an organization would be wise to call in a **Third Party Neutral** and set up a *Labor-Management Committee (LMC)* to deal with the crisis.

While a LMC may not produce all the answers or have all the resources to resolve a crisis, it is a helpful Tool not only to obtain different perspectives from within the organization, but also to manage the crisis politically so that it is not made worse through internal strife. A LMC can provide a critical mechanism through which workers may be heard and management may clear up any misunderstandings in the wake of a crisis. And once a crisis has hopefully passed, within a LMC the parties can start to develop some long term mechanisms to both prevent and weather future crises. That would bring the LMC closer to the second group of mechanisms to be described below: mechanisms to deal with ongoing issues in the organization through LMG cooperation.

Upkeep for the relationship: dealing with issues that arise on an ongoing basis

The vast majority of LMG initiatives are not to address immediately pressing crises, like those described above, or to effect a long-term culture

change throughout the entire organization, like those described below. Rather most LMG initiatives deal with ongoing issues concerning the relationship of labor and management and the impact of external factors on that relationship.

Communication is the key to successfully dealing with problems on an ongoing basis. That is why virtually all of the Tools in the Tool Kit are ways of helping the parties to improve their communication skills or their mechanisms to communicate. For this reason at the top of the list we have to put **New Channels of Communication**. In this category we can include: (1) a LMC; (2) changes in the physical infrastructure of the workplace that facilitate bipartite communication (e.g., **Thai Honda's** *One Floor Management)*; (3) training programs such as the *Relationship by Objectives* program that was conducted by the Third Party Neutral by the **Philadelphia Zoo**; (4) periodic meetings such as those used by **Hankuk Electric Glass** and **Matsushita Refrigeration Industries**; (5) broadcast messages and bulletin boards of the type used by **Thai Honda**; and (6) newsletters such as **Hankuk Electric Glass's** *Open Communication Room*.

Of course, a New Channel of Communication will be more meaningful if it is incorporated within the rubric of a broader initiative to **Make LMG Cooperation a Permanent Part of Operations** such as a formal LMC. Even though they do not contemplate the same type of relationship building that is the focus of an LMC, standing committees of the type established at **Matsushita Refrigeration Industries** and **Ottawa Transpo** also qualify as permanent mechanisms for labor-management cooperation. At the national level, entities such as the Philippines' National *Labor Management Cooperation Council* are invaluable permanent mechanisms to promote LMG communication on a broader scale.

Another mechanism to enhance parties' ability to communicate effectively on an ongoing basis is training in *Interest Based Negotiations (IBN)*, which is sometimes called *Interest Based Problem Solving (IBPS)*. Utilizing the Tools of IBN (i.e., identify issues, exchange interests, brainstorm options, evaluate options according to objective criteria, and decide on plan of implementation), **Ottawa Transpo**, **Miller Dwan Medical Center**, the **Philadelphia Zoo, Nortel Networks** and **Alcan** were able to reach agreements that better satisfied the parties' interests and improved their relationship over the long-term. They were able to overcome the tendency to state demands in terms of inflexible positions, which almost always produced stalemates or "horse trading" that left both parties unhappy in the end. By heeding the advice to **"Think In Terms of Interests, Not Positions"** the parties in these organizations were able to understand one another better and set the course for a more productive relationship in the future. Interest Based Problem Solving even set the stage for a long-term culture change of the type to be described in the next section.

Radical reconstructive surgery: effecting a culture change in the organization

Moving along the continuum, some organizations utilize *IBN* or *IBPS* training not just so the labor and management partners can better talk to one another to solve ongoing problems, but also to effect a culture change throughout the organization. Notably, **Ottawa Transpo**, **Miller Dwan Medical Center**, and the **Philadelphia Zoo** were able to effectively shift their relationship from conflict to cooperation.   Note the following passage from the **Ottawa Transpo** case study, summarizing the results of the joint IBN training:

> Another valuable lesson was that respect was paramount for success. For the process to work, the input of every individual at the table must be treated as valuable and important.   The effort to understand group members' views cannot be interrupted by insults, rudeness or even negative attitudes. If a solution was abandoned, it had to be because it did not meet the criteria set by the whole group. Group members found it necessary to constantly remind themselves not to get embroiled in discussions about past history and to resist the temptation to assign blame for mistakes of the past.   The unofficial three Ps were: polite, positive and professional.[155]

The **Philadelphia Zoo** and its unions were especially committed to improving a contentious relationship in the wake of great change and challenges, so F.M.C.S. Commissioner Barbara Lichtman very purposefully utilized the Tool referred to as "**Go Off-Site to Retrain and Retool**" in Chapter 8.   As we saw in that case study, following the *Relationship-by-Objectives* retreat the parties left the meeting with an explicit commitment to treat one another with trust and respect and to make a concerted effort to build and maintain a positive and harmonious labor-management relationship.[156] This commitment signified the beginning of a culture change at the Zoo and has helped the parties to sustain their relationship throughout the many subsequent challenges they have faced.

While following the *Relationship by Objectives* program the labor and management partners at the Philadelphia Zoo were quite pleased and optimistic that the labor relations culture would change, they have found that a culture does not change overnight as a result of a program along the lines described in Chapter 8. Such programs should be thought of as a jump-start but not a magic wand that produces instantaneous change.

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[155]   Ottawa Transpo, at p. 8.
[156]   Please see the Philadelphia Zoo's PowerPoint presentation

Instead, organizations have found that they had to effect culture change over a long period of time through a combination of training, policy changes and in the long-term a change in the work process.

An example of a series of policy changes designed to effect a culture change is at **Thai Honda Manufacturing**. As we saw in Chapter 5, Thai Honda's *One Floor Management* is a comprehensive program designed to effect culture change through a series of policy changes and changes to the physical infrastructure of the plant.   For example, all people in the factory -- workers and managers alike --wear white uniforms so it is not possible to distinguish between workers and managers simply by looking at the way they dress. In addition, everyone who works at Honda all over the world, including Thai Honda, is referred to as an "associate" whether they are an employee or a manager. According to the case study "no "employees" or "employers" exist in the Honda family. Thai Honda even incorporated the idea of equality into the physical layout of the plant. There are no private rooms or partitions. All associates can see one another. Working tables are arranged face-to-face, whether they are staff member's tables or the president's table.
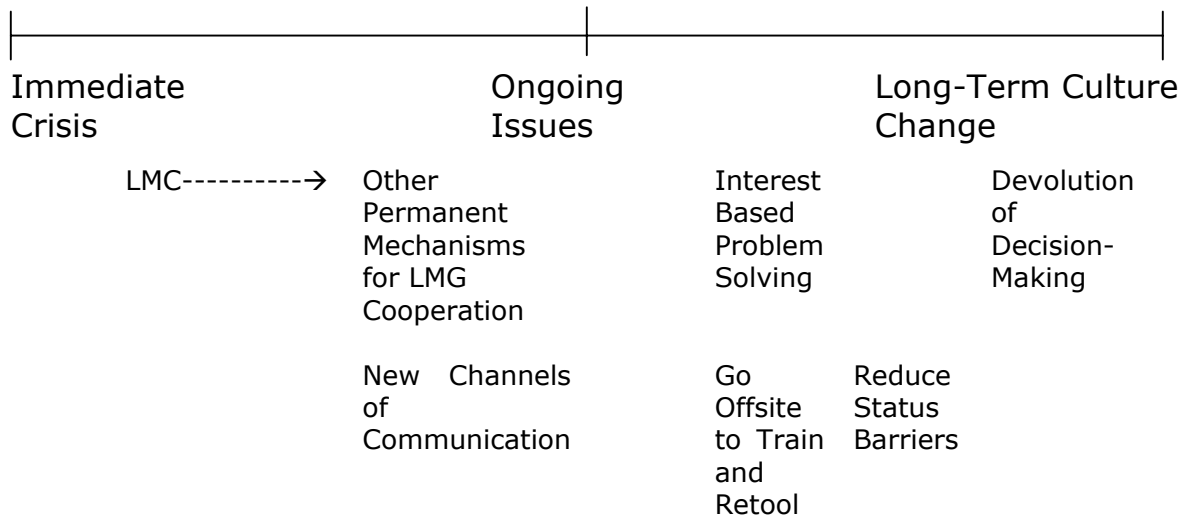
While in the Tool Kit many of the case studies involved LMG initiatives that promoted the **Lowering Of Status Barriers** as a means to the end of improved labor relations, **Thai Honda Manufacturing** was the one in which the parties most directly addressed the issue. However, several of the other Tools in the Tool Kit such as **Creating New Channels of Communication, Thinking In Terms of Interests, Not Positions** and **Going Offsite to Train and Retool** by their very nature assumed a Lowering Of Status Barriers. The very act of communicating more frequently and through multiple channels implies a more respectful

relationship, especially in those cases in which the parties engaged in joint problem solving techniques (IBPS). The joint training initiatives highlighted – most notably by **Alcan**, **Atlantic Baking**, **Miller Dwan Medical Center**, **Nortel Networks**, **Ottawa Transpo**, and the **Philadelphia Zoo**, and their respective unions, were squarely focused on promoting dialogue in the context of an equal relationship.

There is no greater example of a lowering of status barriers and a culture change than in organizations that have **Devolution of Decision-Making** to front-line workers. Mentioned in the Tool Kit were **Grupo Resistol**, the **Atlantic Baking Group**, the **Chilean Bipartite Committees**, **Kaiser Permanente** and, most notably, **Harley Davidson**. These organizations have taken the biggest "leap of faith" in delegating some authority to their workers but they have not done so without careful planning and preparation. They have also not done it simply as a morale booster. Rather these organizations decided that it was good for business to empower and incentivize people closest to the action to make decisions to improve quality, efficiency and productivity.

The above organizations, and others that have devolved decision-making authority to front-line workers, have undergone challenges in doing so and are still in the learning process. In no cases can it be said that there has been a 100% culture change. However, all have made a start and a few are well on their way. The world is watching too, as several of them including the **Atlantic Baking Group**, **Grupo Resistol**, **Harley Davidson** and **Kaiser Permanente** have won awards for their efforts and have been asked to make presentations in many venues in addition to APEC symposia.

Based on the above discussion, we can elaborate on our continuum to place some of our Tools in the following order:

Immediate Crisis		Ongoing Issues		Long-Term Culture Change	
LMC----------→	Other Permanent Mechanisms for LMG Cooperation		Interest Based Problem Solving		Devolution of Decision-Making
	New Channels of Communication		Go Offsite to Train and Retool	Reduce Status Barriers	

Note that four of our Tools absent from the continuum. **Support for LMG Cooperation Must Come From The Top** and **Build Alliances With Other Stakeholders**, both alluded to in the discussion under Step 1, above, are Tools that are critical in launching and sustaining an initiative but are not initiatives in and of themselves. **Get Help From A Third Party Neutral,** and **Ground Your Initiative in Only The Most Solid Management Principles, And "Sell" It That Way** are critical to the ongoing management of an initiative, but also are not initiatives in and of themselves so are likewise not included on the continuum.

As was mentioned in Chapter 10, organizations should be wary of treating a LMG initiative purely as a morale booster and not a concrete program that has to be actively managed at a high level, just like any other program.   Any initiative that is not both treated and presented as such will fail to convince skeptics and, more importantly, those in charge of funding it, who tend to look at concrete results. It will also fail to model the kind

of behavior that you want the partners to engage in. Needless to say, a poorly managed LMG initiative will likely meet the same fate as any other poorly managed initiative. With that in mind, let's look at some ways to manage an initiative so that it is sustainable and flexible.

<div align="center">

STEP FOUR – MAKE SURE THE INITIATIVE IS SUSTAINABLE AND FLEXIBLE

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So far in this chapter we have discussed: (1) the importance of having a workable vision in your head of what the initiative will look like and how you will sell it; (2) the process of selling the initiative within the organization and helping the key stakeholders take ownership of it and get it off the ground; and (3) what the initiative might look like, and how you might base your choice of Tools on the need(s) you are trying to address. This fourth and final section looks at how the initiative might be best sustained once it is off the ground. It would be a big mistake not to give some thought to this at the outset.

What Could Go Wrong?

Whenever one is trying to effect change, there are bound to be pitfalls. In any organization there are vested interests opposing change. Change requires resources such as time, effort, money, know-how and political capital, just to name a few. This section will examine several potential pitfalls. Its goal is to build up your intuition about how to react to these and the numerous other things that could go wrong.

People may simply disagree, or be unable to work cooperatively. In such cases it behooves the proponent of the initiative to suggest the guidance of

a Third Party Neutral who can help the parties talk in a calmer, less personalized and more interest-based fashion. Third Party Neutrals have experience in difficult contract negotiations, where economic issues abound. Most are very well equipped to navigate the issues of a LMG initiative, drawing upon their experience from collective bargaining.

Old habits die hard. The parties are simply used to treating each other with hostility. Training is in order. The parties should be trained on the numerous benefits of working together and in the communication and conflict management skills necessary to do so. Not everybody will be able to be converted that way, but if you build enough of a majority in favor of the initiative the better chance it has of flourishing.

Workers accuse the union leadership of getting too close to management. This is a common occurrence. The way to deal with this is to stress that labor-management cooperation is in no way a substitute for collective bargaining, and their interests will be represented as vigorously in that forum as ever before. In addition, stress that, far from selling out to management, a LMG initiative is a chance to establish a regular dialogue on matters of importance, a dialogue that would not otherwise be possible.

People lose interest in the initiative. If there truly are no pressing issues between labor and management to deal with, and the company is operating at peak performance, then it's OK for people to lose interest. Remember, LMG initiatives are not just "feel good" measures.   They meet concrete needs. If there are no concrete needs you should not promote it for the sake of its self-perpetuation. However, there are likely no organizations that are in such a state of utopia. All organizations have issues. As we have repeatedly emphasized, the main point is to narrowly tailor the initiative to resolve concrete issues. If it becomes too expansive

and unwieldy, it will be criticized as wasteful of many resources. More to this point, people will lose interest in it, and rightly so. Once you are sure that a problem assists and that your initiative can remedy it, any promotional efforts that you might make have a greater chance of succeeding.

The initiative fails to produce its intended results. In this global, competitive economy, it's tough out there! There are many factors in an organization's external environment that it cannot control and that challenge it day after day. We have listed them before: e.g., sudden and intense competition (either domestic or international); changes in the regulatory or legal environment; sudden changes in consumer preferences; loss of a formerly reliable customer base; a sharp increase in the cost of inputs; or political or economic instability in the economy. And there are others. The way to deal with this complaint is not to let the LMG initiative become a proxy for the performance of management itself. Management's job is to make strategic decisions to help the organization respond to threats and take advantage of opportunities. That does not change in a LMG cooperative program, nor do external conditions. What can change, though, are the resources that the organization has to confront its challenges. LMG cooperation adds another, invaluable resource to the mix available to management: the ingenuity, know-how and support of the people who carry out the work of the organization. So an effective way to respond to this complaint is to invite the people complaining to contribute their know-how to resolve the problem, As an added bonus, it is an opportunity for these critics to have their own interests dealt with at a high level.

The well runs dry: LMG initiatives can cost a lot of money in certain circumstances – i.e., when there is training, an off-site retreat, or numerous meetings on company time. Sometimes there are full-time staff members devoted to the initiative. The way to deal with this is to make your best, most realistic cost projections and work with those funding the initiative to include them in the budget allocations. Emphasize the economic benefits to those who hold the purse strings. If possible, use statistical forecasts to project those economic benefits. To economize, use existing company resources (e.g., meeting space). If your economy offers Third Party Neutrals free of charge, take full advantage of the many services they offer. In all cases, ensure that funds for the initiative are handled with the utmost integrity, and arrange for internal accounting mechanisms to ensure such integrity and to be able to respond to any inquiries.

The "founding fathers" of the initiative leave. Even if you plan on lifetime employment with your organization, you will not be there forever. Some great initiatives have fallen apart because their main proponent has left the organization. The way to deal with this issue is to let others take ownership, get credit and become publicly associated with the initiative as early as possible. This way, there is no cult of personality that is irreplaceable. More concretely, you should start undertaking *succession planning* as early as possible in the initiative to ensure a smooth transition if key players leave.

How Will You Know Something Has Gone Wrong? Is It Too Late?

A core principle of good management is evaluation. Unless there are mechanisms in place to periodically measure the initiative's performance,

there is a real risk that problems will suddenly surprise you after it is too late to do anything about them. With that in mind, it is advisable to establish mechanisms to measure the existence of the problems discussed in the previous section.

Some of the potential problems are attitudinal – i.e., workers believe that the union leadership of getting too close to management, people blame the initiative for things it cannot control, people have not changed and made their attitudes more collaborative, people lose interest. In those cases measuring changes in these attitudes is a matter of developing effective survey instruments and administering them periodically. A note of caution, though: survey design is a highly technical and refined science, so if there are funds, it would be wise to have the assessment conducted by an outside professional.

In the case of funding resources, it would be wise to internally audit the management of the initiative's funds on a continuous basis and to have an outside audit conducted at appropriate periodic intervals as well.

In the end, an evaluation can be a big help to an initiative, and can very often provide useful feedback, as long as the initiative's goals are made clear and measurable – i.e., reducing the number of grievances filed, reducing the length of contract negotiations, increasing the number of issues resolved informally, improvements in productivity, efficiency or quality traceable to devolution of decision-making, improved attitudes concerning labor relations, as measured by surveys of a random sample of employees and managers. However, the proponent of an initiative should be strategic about when to request an evaluation. If the evaluation is done too early, before all key stakeholders have been won over or before it

has produced measurable results, it could have a harmful effect on support for the initiative.

How to keep up morale and encourage further innovation?

Finally, if an initiative is going to effect a long-term culture change, as was discussed above, it is going to need constant nurturing and cheerleading from its proponents, hopefully bipartite or tripartite. The goal is not just to sustain your initiative, but to have others make it their own, take it to the next level, and further innovate. To this end, an initiative's proponent should be its principle advocate. This means frequently talking with others about it to shore up its support, and also using the (hopefully) several **New Channels of Communication** that are available (e.g., e-mail, bulletin boards, committee meetings) to promote it. As was discussed above, it should be promoted as the high-quality initiative that it is: well planned, well staffed and evaluated to show measurable results. There should also be ample opportunity for bottom-up feedback up to the initiative's leadership. It is very important to model good behavior by allowing ample opportunity for all of the affected stakeholders to communicate their interests to you concerning the initiative on an ongoing basis.

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On that note, we will model good behavior by inviting readers to submit to us any comments, questions and, most importantly, your ideas and stories about creative innovations that have moved the field of Labor Management Government Cooperation to the next level. Stop by the project's website at www.gnzlz.com and click on the "comments and questions" link within the Tool Kit link. And best of luck to you as you set out to change the world, one workplace at a time.