

# Toward a New Grand Bargain

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## Collaborative Approaches to Labor-Management Reform in the Public Sector

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# The Glory Days of the UAW



- 1960s: UAW had **1.5 million** members
- Its economic clout helped provide excellent wages and benefits
- Equally important, the UAW was one the most respected **progressive forces** in the nation fighting for universal health care, civil rights, workforce training, and fighting against poverty
- Its **political clout** helped boost the national minimum wage, legislation not directly benefiting it own well-paid members
- **Because of its progressive stance, it enjoyed widespread popular support**

# The Import Challenge



- Beginning in the 1970s, foreign competition challenged the auto industry
- Imports surged; domestic sales slumped; the industry went into decline
- Much of its decline was due to extraordinary blunders made by management
- **Nevertheless, the union was partly to blame and today the UAW has fewer than 355,000 members**

# Failures of the UAW



- It failed to press the auto companies to build high quality, innovative vehicles that could compete with imports
- Often it insisted on work rules that undermined efficiency and compromised the industry's competitiveness
- **It did not listen to its customers ... those who buy cars, trucks, and vans**

# Now the Public Sector



- Most states and local government face a severe fiscal crisis
- Can state and local governments continue to fund public services offered by union workers?
- Will taxpayers be willing to continue to support public services even if this means more taxes?
- How will state and local governments survive the structural crisis without taking on their unions?

# Lessons for Public Sector Unions



- Public sector unions must help find ways to improve effectiveness and efficiency in the supply of public services
- Public sector unions must make a better case to consumers ... those who pay the taxes for services ...
- It is time for a “new Grand Bargain” where unions play a greater role in improving service, quality, and innovation in return for greater job security and public respect

# Aspects of the New Grand Bargain



- Union joins in efforts to boost ...
  - Effectiveness/Efficiency
  - Quality of Services
  - Innovation in Offering Services
- Union plays a serious role in helping shape social policy ... balancing the interests of their members with the interests of the public ... and explaining this to both their members and the public

# A Survey of School Superintendents, School Committee Chairs, and Teacher Union Leaders

## Dissatisfaction with the Current State of Affairs in the Commonwealth

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- 73% of school superintendents and 61% of school committee presidents view the present state of collective bargaining as an “obstacle” to achieving improvements in educational outcomes
- Fewer than 8% of superintendents and 18% of school committee presidents are “very confident” that the current state of labor management relations in their districts is sufficient to address the needs for performance improvement in education

## Dissatisfaction with the Current State of Affairs in the Commonwealth

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- 50% of union leaders and 68% of superintendents noted that in the course of collective bargaining the issue of clear and shared responsibility for academic outcomes is not discussed
- More than 60% of union leaders and 50% of superintendents report that a method for conflict resolution and problems solving is not discussed or agreed upon in the course of collective bargaining

## What Needs to be Changed

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- **Reject the traditional form of management where managers have the prerogative to unilaterally control the workplace**
- **Reject the traditional form of collective bargaining based on the negotiation of highly detailed and often overly rigid contractual agreements hammered out through long, drawn out negotiations characterized by demands, counter demands, and last minute compromises**

## Components of a New Grand Bargain

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- Expanded use of *interest-based bargaining* (IBB) in contract negotiations as a substitute for traditional adversarial negotiations.
- Mutual agreement among the parties on protocols and *fixed timetables for negotiations, facilitation, and resolution of contract negotiations*.
- Consideration of *broader, regional or perhaps even statewide collective bargaining for setting wage and benefit levels* based on clear criteria and standards that emerge out of a new state-wide compact.

## Components of a new Grand Bargain

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- Development of ***day-to-day shared responsibility*** among principals, teachers, and their union representatives at each school site ***for continuous, problem-solving joint decision-making.***
- Creation of ***forums at the district level for engaging superintendents, school committee members, parents, and union leaders in the task of building a shared vision for educational innovation*** and leading, monitoring, sustaining, and communicating the results of innovation efforts to all interested stakeholders.

## To Increase Flexibility and Promote Shared Responsibility

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- ***Replace the existing set of detailed work rules and job classifications*** in contracts ***with a system of continuous problem solving through joint decision-making*** committees comprised of the principal, teachers, and a union representative in each school to agree to changes in operating procedures as issues arise.
- Develop a system of ***teacher evaluation based on a combination of teacher peer review, assessment by principals, and student performance criteria.***
- Consideration of ***“Peer Assistance and Review” (PAR) processes for implementing the new teacher evaluation procedures*** and linking the new system to the interrelated issues of professional development; compensation and performance-based pay practices; and transfer, assignment, dismissal, and promotion policies.

## Objective of Interest-Based Bargaining

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- The end point of the **traditional system** is a detailed, often inflexible contract laying out in detail the rights of workers and the rights of management.
- Under **IBB**, the agreement is just the beginning of a continuous problem-solving approach based less on the rights of the respective parties and more on the needs of the enterprise to prosper for the benefit of all parties.

## Preamble to the Boston Teachers Union Contract

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- “A Shared Commitment to Educational Achievement”
- “the importance of school-based decision-making”
- “the importance of flexibility”
- “the importance of professional development”
- “the importance of accountability for quality and performance”

## BTU Agreement: “Staffing” and “Work Rules”

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- But after this preamble, the Contract goes on to devote **80 pages** to “staffing” and “working conditions”
- No matter the intent of these provisions, the impact is often to *reduce flexibility* and *undermine school-based decision-making* so as to make it difficult to achieve the goals laid out in the Preamble.

## Strong Precedent for Alternative Approach – Private Sector

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- UAW-GM Saturn Agreement – 28 page joint-decision making agreement in place of the standard auto contract running to hundreds of pages
- Ford-UAW Cleveland Engine Plant “Modern Operating Agreement”
- Kaiser Permanente labor-management partnership grounded in interest-based, day-to-day problem solving between management and union leadership

## Strong Precedent for Alternative Approach – Public Sector

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- Experiments with IBB, day-to-day problem solving and a more open-ended labor relations agenda including:
  - ✦ Teacher evaluation systems
  - ✦ Guidelines for promotion, transfer, and dismissal
- Operating in (among others):
  - ✦ ABC Unified District in California
  - ✦ Baltimore, Maryland
  - ✦ Toledo, Ohio
  - ✦ New Haven, Connecticut
  - ✦ Plattsburgh, New York
  - ✦ Hillsborough, Florida
  - ✦ St. Francis, Minnesota

## Secrets to Success

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- **Teacher evaluation based in part on peer review**
- **Professional development for teachers**
- **Use of union-management teams at the school level to solve problems and enhance education outcomes**
- **Joint decision-making to improve curriculum and instruction**
- **Rewards for teaching in hard-to-serve schools**
- **Career “pathways” for promotion rather than strict seniority**

# Interdependent Elements in Education Innovation

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Compensation,  
Promotion  
Transfer, and  
Assignments



Performance  
Evaluation



Professional  
Development



## To Implement and Institutionalize these Changes

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- ***Creation of a state-wide “Academy”*** to train parties in interest-based bargaining (IBB) and on-going problem solving and to facilitate negotiations and on-going innovation efforts where requested by a local district.
- ***Creation of a broadly representative multi-stakeholder oversight commission*** to monitor and review progress toward educational improvements and to recommend changes in policies as needed to build and sustain a 21<sup>st</sup> century labor management relations model for public services.
- ***Creation of an on-line Learning Network*** which could be used by superintendents, principals, local union leaders, teachers, and involved parents to share experiences with common issues and innovative labor relations efforts.

## Looking to the Future

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- **The Horserace is on: One-two years from now the public will compare what was achieved through collaboration compared to attacking collective bargaining and will decide which course is best for the future**