

Dealing with union power in change environments

Every so often, managers ask us to help them find ways to reduce union power in their organization. A common statement in a first management interview is:

‘We can’t implement the necessary changes in our company as long as we don’t first get a grip on the constant interference from the unions’.

Frequently, in these circumstances, union representatives do interfere with daily operational decisions on a regular basis. Doubtless, this is not the proper function of union representation in today’s companies. In fact, it should never have been that way... What is it that makes so many organizations struggle with union relations? How do we end up in a situation where the boundaries of responsibilities of the unions are getting vague?

In order to answer that question we should look at the reasons behind these distorted situations. In turn this leads us to the role of the union in a working environment, a role probably best described as protecting the rights of the employee. In fact, in organizations where those rights are not respected properly, the union could take up a leadership role in setting up a constructive and pro-active improvement process. That is how it should be....

Unfortunately, in many cases the above description of union functionality does not apply in practice. In almost every case where the relationship between organization and unions is distorted, a constant battle for power resides under the surface of daily operations, resulting in endless, and very often totally useless, discussions on operational details.

Both parties, unions on one side and the organization on the other, take up position, protect what they have acquired and forget systematically about the basic common factor in their environment, the human capital. Each union needs members to flourish and grow and each unionized organization needs employees to deliver the current and future success for the company. Both parties need the active support of the people in order to secure their sheer existence, at least... this is exactly the perception that leads to the chaos we experience so often.

One could argue that the unions malpractice their power to influence their members in a destructive way towards their employer. Asking for endless ‘improvements’ in the working environment, higher wages, less working hours, resisting organizational changes and so on can drive an organization towards a negative development cycle, very often ending in severe social conflicts and even bankruptcy.

Common exclamations from management in such circumstances are ‘the unions keep asking for more -they fail to see the real challenges of our company – they block every initiative we try to take – we need to take a stand and remain tough – etc...’ Of course union representatives could put more effort in setting up a constructive dialog before hitting on the management, however, the first step towards improvement should not be the responsibility of the union.

From an entrepreneurial point of view we should agree that the overall responsibility for the well being of the company lies in the hands of the management.

That is, in essence, what good management is about, ensuring prosperity for the organization and all people involved.

Therefore, if things are going the wrong way we should conclude the management did not take up its proper responsibility. Once this perception is accepted, the road to improvement has been cleared.

What is the basic building block for healthy relationships in a working environment? In fact, why do employees talk repeatedly to their union representatives about daily operational issues while those issues should be taken up directly with their management? The answer to this question is trust, or rather the lack of it. Whenever people don't feel comfortable about speaking to their managers and the reactions they expect, they automatically turn to the first available and 'trusted' person from whom they believe enough power is at hand to deliver a solution.

Improving relations within a working environment should therefore be a process initiated from the management towards the employee. The management needs to restore confidence of the employee in his or her company and its management. In order to accomplish this, they should be willing to explore openly three basic aspects of their managerial quality, being the level of consequence, congruence and people management skills.

In order to build a trust relationship with their manager, people need to feel assured that decisions are taken in a conscious way. Whenever an employee is being confronted with a lack of support while implementing a management decision things start to get sour. Very often managers do not accept the practical consequences of their own decisions.

Putting your people between a rock and a hard place and stepping back when things get tough directly leads to a loss of credibility in the eyes of the employee.

Whenever you ask people to implement your decisions, make sure you give them the necessary room, time, resources and active support to do a great job.

A second aspect of a healthy working environment is the degree of congruence in management behavior and decisions. Too often we detect situations where different personal management decisions are taken on the same issues, or, unanimous management decisions are communicated in totally different ways. In both cases it appears to the rest of the organization as if the management does not function as a synchronized entity, thus not being able to provide proper leadership.

In order to implement a congruent management image, some managerial preparation needs to be done. The management should first make sure that the vision and strategy of the organization is properly translated in a set of focus areas, secondly supported by a firm management understanding in which building of consensus and uniform communication of decisions are well defined.

The development of these management instruments is an action you cannot delegate; the management itself should do it.

Investing a significant amount of management time to build this basis for improvement is essential for the success of the overall change process.

The third aspect in rebuilding the credibility of the management is the development of people management skills in the line management level.

Almost invariably, line managers have a 'technical' background due to their historic growth path within the organization. This means they generally have a very high competence level as far as their core business is concerned, as opposed to their skills in communicating, leading, coaching and energizing people. In the case of young 'intellectual' managers, the practical core business competence may even be lacking, next to the same need for higher soft skills.

If a strong technical competence is combined with a weak people management competence, chances are, people get suffocated in an environment where little or no participation is allowed.

A good line manager should be able to use his or her technical competence as a guiding backbone in taking decisions and still leave room for practical

implementation by his or her co-workers. Combining a directive approach in setting structures, targets and boundaries with a participative approach in implementing gets the best out of your people.

In practice this means companies need to complement the organizational blue print designed by the management with strong efforts in developing the soft skills of all managers and the use of a bottom up approach in performance improvement. In fact, the latter two components go hand in hand.

When managers adapt a higher degree of people management skills, they can successfully act as coaches and facilitators for their co-workers, hence supporting the participative performance improvement process and converting resistance into enthusiasm and ownership.

In making the shift from a distorted environment to a sound organization with mutual trust between management and co-workers, the question of attitude towards the unions still remains. It would be naive to think that a distorted relationship with unions and their representatives will change over night.

It is, however, valid to expect a gradual restoration of the power balance in the organization in a period of six to eighteen months once the above described components start being implemented. The remaining condition for success is an open, tough but consequent attitude towards the unions concerning the boundaries of responsibilities in the organization.

In the changing environment the proper role of the union gradually falls back into place due to the focused nature of questions that will be put upon them by the average employee. Restoring the balance in relationship between management and employee therefore restores the balance between the organization and the unions.