

# **ORGANIZATIONAL ACCESS, PLACEMENT, AND ROLE: MAKING LABOR-MANAGEMENT RELATIONS AN INTEGRAL PART OF THE MANAGEMENT PROCESS**

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Kenneth L. Smith, Deputy Director, Workforce Relations Division, Internal Revenue Service, is cited as the “Principal Author” of this paper to recognize the time and effort he gave in drawing together his own ideas and the collective thoughts of senior labor relations practitioners who attended two *ILRF* retreats in Shepherdstown, WV in July 2000 and January 2001. However, the views set forth in this paper are not necessarily those of any one individual or of any Federal department or agency.

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## **Introduction**

The genesis of this paper was an intense discussion among Federal labor relations professionals on how best to create an effective two-way strategic linkage between labor relations strategy and the broader organizational strategy. The participants explored approaches for melding the labor relations function with organizational operations and examined various labor relations structures and skills in both the public and private sectors that enhance organizational effectiveness. Participants examined the current role of labor relations in the Federal government, how labor relations can maintain its effectiveness amidst frequently changing organizational strategies, and optimal organizational placement of the labor relations function.

## **The Placement and Role of the Labor Relations Professional**

The most important asset of the Federal government is the people it employs. The Federal government must ensure that the best people are acquired and that their value is enhanced. Enhancement is fostered by, among other things, strong and effective leadership, a work culture which expects excellence, work that is perceived to be important and valuable, work processes that make sense, establishment and maintenance of a positive and family friendly work environment, and effective and efficient personnel policies and practices.

Agency management has the responsibility for insuring that this enhancement of human capital is accomplished. For this to happen, an agency must see to it that human capital policies, programs, and procedures are properly aligned with the agency's strategic vision, organizational goals, and core values. This makes sense from a business standpoint since the human capital asset comes at a very substantial cost and is a very large portion of every Federal agency's overall operating expense.

Effective and efficient human resource management is critical to management's success in meeting its core responsibilities. Human resource managers must possess the competencies necessary to improve management's planning and decision-making processes. They must be an *integral part of the management team* by being intricately involved in the planning and decision-making processes. These human resource management professionals, as part of the management team, must focus on integrating human resource management principles and practices into the overall management strategic plan. This strategic role moves them from simply performing the administrative

support functions of managing personnel processes and ensuring compliance with rules and regulations [the traditional “gatekeeper” role which often leaves the impression that those in “personnel” are the comfortable, complacent, custodians of the status quo (C<sup>3</sup>SQ)].

Executive management must see to it that the human resource professionals have the necessary competencies and experience and are made an integral part of the management team. This will help ensure their access to top executives and enable them to influence their decisions. Only in this way can human resource management professionals be meaningfully involved in shaping the organization’s strategic and program planning. Given the importance and cost of human capital, those who are responsible for the human resource management function should report directly to the top executive in the organization. This demonstrates the value placed on their function, enhances their access to executives, and allows them to influence executive decision-making. It allows human resource professionals to be effective in an environment where both organizational strategy and the membership of the senior management team changes frequently.

### **The Labor Relations Professional**

These observations are particularly true with respect to labor relations professionals. They are necessarily aligned with management and, as such, must identify with management and fully represent management’s interests in a myriad of circumstances. This does not mean that they are aligned “against” unions or the employees they represent. Rather, it is to say that their primary responsibility is to represent the interests of management and to effectively influence management’s decisions.

In fulfilling their responsibilities as management representatives, labor relations professionals are asked to perform a array of roles: consultant, negotiator, contract administrator, mediator, facilitator, educator, and advocate. In performing these roles, they must also advise management on the rights and responsibilities of all parties under governing laws, executive orders, and regulations. They must assist management in the development and implementation of a labor relations philosophy and the strategies for working with unions to establish progressive relationships. And they must be articulate and, where necessary, be able to advocate management’s position forcefully and to seek innovative solutions in their dealings with managers, union officials, and third-parties.

The complicated role of the labor relations professional requires them to have direct and immediate access to management and an opportunity to influence management’s decisions if they are to fully represent management’s interests. First, they manage the various labor relations processes to which management must adhere. Equally important, if not more so, they are involved not only with traditional personnel policies and practices but also a broad range of matters affecting all aspects of employee working conditions. Thus, they routinely find themselves placed in situations where they must deal not only with the impact that management decisions have on personnel

policies but with the very substance of decisions of both line and staff management. As a consequence, labor relations professionals regularly find themselves dealing with complex matters not within the traditional field of human resource management.

Whether dealing with traditional personnel policies and practices or other matters affecting employees' working conditions, labor relations professionals are placed in a situation where they must deal not just with implementing these policies and practices but also with their design. Most of these personnel policies and practices involve matters outside the labor relations program area, matters which fall squarely within management's responsibility to manage its core functions and carry out its mission. Consequently, labor relations professionals deal alike with all their clients whether they are line managers or staff managers (including human resource management staff).

Because labor relations is necessarily an integral part of the management of an organization, its effectiveness can be significantly affected by changes in organizational strategy or in how the organization is managed. This makes it extremely important that labor relations professionals:

- Pursue and maintain an agency labor relations philosophy that transcends changes in organization strategy or in its management team.
- Continually educate managers, particularly new managers, about rights and responsibilities under the labor relations programs and their agency's labor relations policies and philosophy.
- Establish and maintain a network that builds bridges to management and its support staffs.
- Provide stability to labor-management relationships during turbulence organizational and staff changes.

### **The Placement and Role of the Labor Relations Function**

The distinctive role played by labor relations professionals raises the question of where the labor relations function should be placed organizationally. Traditional thinking places it in the human resource management office and classifies the labor relations practitioner within the human resource management field. However, in practice, and as discussed above, the labor relations function has in some instances been separated from the human resource management office, and many labor relations professionals have found themselves classified in a management series; e.g., Management Analyst or Program Manager or Director. This has occurred primarily in situations where a strong union represents a nation-wide bargaining unit or where management wants more ownership of the labor relations function. Separating the labor relations function from other human resource management functions is also a common practice in private sector organizations which deal with unions.

There is no set rule for where the labor relations function should reside within an organization. It depends on a multitude of factors, such as the extent and level of union recognition and on the issues with which the parties are dealing. Elevating the overall

human resource management function to near the top line on the organization chart will, of course, help meet the needs of all human resource management professionals, including those responsible for the labor relations professional. But whatever organizational labels are created for this purpose, labor relations professionals must be able to provide unfiltered advice to top management. This means that they must be placed, organizationally, where their views will be heard during management's deliberative processes.

## **Conclusion**

The labor relations discipline is substantively different from traditional personnel functions. Further, labor relations specialists generally see themselves as an arm of management rather than an arm of the human resources office, tasked with achieving management's objectives through collective bargaining and other (e.g., collaborative) processes. To be effective, they must be proactive, look for creative solutions to problems, and not be wedded to the *status quo*.

In terms of competencies, the skills that labor relations professionals need to effectively represent management go far beyond those required of the traditional human resource management specialist. They need to know and practice law; be familiar with facilitation, mediation, and other ADR skills; practice a variety of labor relations approaches, from traditional collective bargaining to collaboration to partnership; know the operating rules of several third-parties; be thoroughly acquainted with line operation issues so management's interests are protected and the mission accomplished; work well with officials at all levels of the organization and with all staff offices (budget, finance, personnel, general counsel; building services; safety and health); deal with matters outside the purview of traditional personnel programs; and maintain constructive working relationships at both the local and national level.

And finally, depending on a variety of factors (e.g., level of union recognition, types of issues addressed by the parties, nature and amount of labor relations litigation, organization structure), labor relations can be pulled out of the human resources office and made to stand alone, perhaps reporting directly to the top manager. This is often done in the private sector and has been practiced on a more limited basis in the Federal program. Recognizing that labor relations can be separated from the human resources office is simply to recognize that the labor relations function is, in fact, different from traditional personnel functions.

Thus, careful consideration must be given to the placement and role of the labor relations function. We should not be wedded to the old paradigms that labor relations is inherently part of the human resources function. It generally is not, and its role and organizational placement should take this into account.

**... End ...**