

**FROM PATCO TO PARTNERSHIP: TRANSFORMING  
FEDERAL SECTOR LABOR RELATIONS?**

**Professor Marick F. Masters  
Katz Graduate School of Business  
Graduate School of Public and International Affairs  
University of Pittsburgh  
328 Mervis Hall  
Pittsburgh, PA 15260  
TEL: (412) 648-1597  
FAX: (412) 648-1693  
e-mail: [Marick@katz.pitt.edu](mailto:Marick@katz.pitt.edu)**

**Professor Robert R. Albright  
Lally School of Management  
Rensselaer Polytechnic Institute  
275 Windsor Street  
Hartford, CT 06120-2991  
TEL: 860-548-5481  
e-mail: [albright@javanet.com](mailto:albright@javanet.com)**

**Professor David Eplion  
Indiana University Southeast  
HH-011A  
4201 Grant Line Road  
New Albany, IN 47150  
TEL: (812) 941-2269  
FAX: (801) 720-8309  
e-mail: [deplion@ius.edu](mailto:deplion@ius.edu)**

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## Abstract

The 1981 PATCO strike represented a volcanic eruption of a systemic problem of adversarial labor-management relations in the federal government. Recognizing that an adversarial climate diminishes the quality of public service, the former Clinton-Gore administration undertook a bold initiative to introduce labor-management partnerships on a government-wide basis as part of its bigger plan to reinvent government. Issued in 1993, E.O. 12871 created the National Partnership Council and mandated the establishment of partnerships across agencies and departments. This executive order led to the rapid proliferation of partnership councils, which operated under a policy mandate for more than seven years. Few studies have systematically examined what these partnerships have done, whether or not they achieved the ambitious goals behind involving unions as partners in agency operations, and their impact on unions institutionally. We address this void. Using a uniquely extensive body of survey, interview, and archival data among 60 labor-management partnership councils located in eight major federal agencies and departments, we examine the operation, effectiveness, and impact of partnerships, as well as how unions fared institutionally during the partnership era. Our data show that effective partnerships can improve the labor-management climate, adding to the capacity of agencies to perform. However, a significant gap existed between the reality and potential of partnership. A major barrier to closing the gap is the absence of genuine managerial commitment; another is the systemic weakness of unions. In this vein, partnership (as some might have expected) only modestly improved the overall strength of unions in the federal sector. These findings have important implications for understanding the viability of partnerships now that President Bush has rescinded E.O. 12871, especially in light of the recent testimonial to cooperation given by the current Director of the U.S. Office of Personnel Management. Ironically, the rebuke of partnership could energize union support in the current political climate. The recently concluded debate over creating a federal Department of Homeland Security foretells a continuing struggle between competing philosophies behind the appropriate role of unions in the federal sector.

In August 1981, President Reagan summarily fired more than 11,000 striking air traffic controllers. The forlorn PATCO strike, aberrational and illegal in the federal service, betrayed a pervasive problem of adversarialism and distrust between labor and management (U.S. General Accounting Office 1991). The strike occurred over basic economic and staffing issues, both of which were outside the ambit of negotiability (Northrup 1984; Hurd and Kriesky 1986). According to some (Connery 1977; Leyden 1977), therein lay the heart of the problem. Federal employees and their union representatives lacked a significant workplace voice, especially compared to their counterparts in the private sector and in much of state and local government (Lewin, Feuille, Kochan, and Delaney 1988). They felt anemic and undervalued (Ban 1995). Their disenfranchised status, moreover, hindered government's capacity to perform, aggravating two other deficits which grew throughout the 1980s and into the 1990s: the budget deficit and the erosion of confidence in public institutions (Kettl 1994; 1998).

By the early 1990s, grave doubts had emerged about the inherent capability of government (DiIulio, Garvey, and Kettl 1993; Kettl, Ingraham, Sanders, and Horner 1996). Critics argued that government had failed to transform itself and lacked both the ability and willingness to do so (Kamensky 1996; Durst Charldean-Newell 1996). Consequently, government needed to be significantly downsized and privatized. The devolution revolution gained momentum. Provocative questions arose: "Is Government Dead?" (Osborne and Gaebler 1992:1); "Should the federal government be 'stuffed' and hung on the wall as a trophy, or should it be nursed back to health?" (Kamensky 1996:247).

Faced with growing political pressures to contract-out, downsize, and privatize, more moderate, less pessimistic observers spoke, advocating the alternative of reinventing government (Osborne and Gaebler 1992). Tearing a page from corporate management, reinvention

proponents urged that government become more "businesslike." The terms entrepreneurship, efficiency, and competition dominated their discourse (Maor 1999; deLeon and Denhardt 2000).

High among the operational pillars of reinvention stood employee empowerment. Government employees had not failed, so the argument went. Instead, the system had failed to let them perform up to their abilities. Empowered employees would release pent-up energy and talent, thereby raising performance and productivity (Levine 1995; Tobias 2000).

Elected as centrist candidates in 1992, Clinton-Gore eagerly embraced the philosophy of reinvention. Within two months after taking office, then-President Clinton directed Vice President Gore to head a National Performance Review (NPR 1993:1) to make government "less expensive and more efficient." In late September 1993, the NPR released its promising report, *From Red Tape to Results: Creating a Government that Works Better & Costs Less*, with enormous fanfare (Kettl and DiIulio 1995). The NPR urged "change--historic change--in the way government works" (NPR 1993:i). To reinvent government, the NPR recommended creating labor-management partnerships government-wide. Replacing adversarialism with cooperation became the linchpin of reinvention (Kettl 1998). Conveniently, empowering employees through labor-management partnership furthered two administration goals, however tacitly they may have been pursued. First, it constituted an initial payment on an enormous political debt owed to unions for their help in the 1992 elections (Ban 1995). Second, partnership held out the possibility of strengthening federal-employee unions *qua* institutions, a prospect each major federal-employee union coveted, especially given that the unions' real institutional conditions were considerably weaker than their representational bases suggested (Masters 2002).

Following the NPR's recommendation, President Clinton issued E.O. 12871 on October

1, 1993. The executive order created the National Partnership Council (NPC) and mandated agencies and departments to establish labor-management partnerships. In immediate response, partnerships proliferated. For the next seven years, federal-employee unions and managers operated under an ambitious partnership policy: "Labor-management partnerships will champion change in Federal Government agencies to transform them into organizations capable of delivering the highest quality services to the American people" (E.O. 12871).

Despite the unique character and scope of this partnership initiative, few studies have examined what federal partnerships have done (for preliminary assessments, see Suntrup and Barnum 1997; Doeringer, Kaboolian, Watkins, and Watson 1996; Verma and Cutcher-Gershenfeld 1996). We address this void, looking at the "black box" of partnership as a means of involving unions as strategic players. More specifically, we examine (1) how federal partnerships operated; (2) how effectively they performed on certain dimensions of process deemed important to potential success; (3) the relationship between partnership effectiveness and the broader labor-management climate; (4) the impact of partnerships on agency performance; and (5) the effects of partnership on major indicators of labor-management disputes and the institutional strength of the major federal-employee unions. We also contrast high-to-low performing partnerships, and discuss the future of labor-management relations now that President Bush has rescinded the Clinton-Gore mandate and made the issue of union rights vis-à-vis managerial flexibility central to the recent establishment of a federal Department of Homeland Security (DHS).

We rely on several sources of data. We studied 60 federal labor-management partnerships located in eight federal agencies and departments as part of an extensive evaluative project commissioned by the U.S. Office of Personnel Management (OPM) and conducted over the

March 1999-October 2000 period.<sup>1</sup> We surveyed the union and management representatives on these partnership councils; interviewed nearly 300 of the council participants; and collected archival data on council activities, including, where available, minutes of meetings, relevant reports, and policies resulting from council recommendations.<sup>2</sup> In addition, we conducted 20 in-depth background interviews with union and management representatives and executive-branch policy-makers on the role and effectiveness of partnerships. Furthermore, we examined government-wide data compiled by the Federal Labor Relations Authority (FLRA) on measures of labor-management disputes; OPM data on union recognitions in the federal service; and union LM-2 reports, filed with the U.S. Department of Labor, which disclose union membership. The combination of survey, interview, and archival data raises our confidence in the conclusions drawn.

### **Background on Federal Sector Labor Relations**

To appreciate E.O. 12871, we put federal labor-management relations into historical context. E.O. 12871 represented more than an incremental change in policy orientation and practice. It envisaged a sea change in the very circumscribed role of federal-employee unions. Fundamentally, E.O. 12871 manifested what Kochan and Osterman (1994:198) advocated: "labor-management policy should be a catalyst for innovation and transformation of American workplaces by encouraging adoption and sustainability of mutual gains practices."

President Kennedy initiated the contemporary federal labor relations system (Nesbitt 1977; Coleman 1980). Responding to mounting pressures to sanction union representation, he issued E.O. 10988 in January 1962. The president's landmark order granted federal employees the right to unionize and bargain collectively. At the same time, however, President Kennedy circumspectly defined the powers and rights of unions. E.O. 10988, consistent with the

philosophy that the needs, requirements, and responsibilities of government differ substantially from private enterprise, severely restricted the scope of bargaining, prohibited union-security arrangements, banned strikes, and ensconced managerial prerogatives (Goldberg 1961; Nesbitt 1976). Notwithstanding these limitations, federal union representation grew rapidly in the 1960s. In 1964, just 12 percent of the federal workforce belonged to exclusively recognized bargaining units. By 1969, this figure had risen to 42 percent, or 842,823 federal employees (U.S. Office of Personnel Management 2002).<sup>3</sup>

In 1969, then-President Nixon replaced the Kennedy order with E.O. 11491 (U.S. House, Committee on Post Office and Civil Service 1979). In so doing, he streamlined the union-recognition process and lent administrative structure to the federal labor relations program by creating the Federal Labor Relations Council. In other respects, however, the status quo prevailed: bargaining was limited, strikes forbidden, union security proscribed, and management rights expansively enumerated (Frazier 1979).

In the decade following E.O. 11491, pockets of discontent flared. Defying the law, over 200,000 postal employees struck at the height of a nine-day wildcat strike in 1970, demonstrating the inadequacy of the executive-order framework for the almost wall-to-wall unionized postal office (Loewenberg 1980).<sup>4</sup> Inchoately organized air traffic controllers also pushed the envelope, engaging in a string of job actions to register their discomfiture with FAA management (Budnik, Pollock, Prescott, Sheehy, and Wayne 1995).<sup>5</sup> In addition, union representation continued to grow, albeit at a reduced pace, reaching 57 percent of the federal workforce by the mid-1970s. In this context, federal-employee unions, encouraged by the proliferation of more extensive bargaining rights to many state and local employees, pushed hard for a statutorily based and liberalized labor relations policy (Frazier 1979; Ingrassia 1979;

Devine 1981). Ultimately, the unions won the statutory embodiment of basic labor relations rights, but Title VII of the 1978 Civil Service Reform Act (referred to as the Federal Service Labor-Management Relations Statute, or FSLMRS) did little more than codify E.O. 11491, restrictions and all. If anything, the FSLMRS cemented the highly circumscribed status of federal unions. In this vein, the vastly impressive representational numbers belied a rampant problem of free-riding (Masters and Atkin 1989; Masters and Albright 1993): most represented federal employees chose not to join the union, a situation that begged attention.

The 1981 PATCO strike represented an extreme action taken by a union that had been captured by a militant faction in a bitter internal struggle in the previous year. Although unusual, the air traffic controllers' walkout revealed deeper problems in the federal service. First, federal employees and their union representatives, across the board, felt powerless and voiceless. They could not bargain over salient economic issues, like pay, benefits, and job classifications. Bureaucracy and hierarchy (i.e., command and control) characterized agency management and structure. Politics permeated decision making on critical budgetary and economic issues. Federal employees were frequently pawns in a politicized game of fiscal chess.

Second, operating in an environment that often bureaucratically, managerially, and politically overwhelmed them, federal-employee unions would resort to adversarial tactics to make a point. Management was certainly not beneath responding in kind. No issue fell in import sufficiently to escape dispute. Disagreement over trivia manifested an undercurrent of mutual distrust, discontent, and dislike.

Third, governmental performance suffered in this adversarial climate (National Performance Review 1993). Morale dwindled. Important information got burrowed in the absence of effective communications networks. Notions of shared responsibility and common

interest rang hollow. Vicious cycles of negative expectations ensued: employees expected little from management and managers expected even less from employees.

The president who fired the striking air traffic controllers had carried an anti-government banner even higher than his vanquished predecessor did on the road to the White House. Ronald Reagan, who, ironically, was endorsed by PATCO in 1980, believed that government was "the problem" not the solution. Throughout his presidency, he battled the two federal deficits which propelled this popular view: performance and budget. A parade of blue-ribbon panels exposed intolerable waste, fraud, and abuse in government. By the early 1990s, budget deficits ran well over \$300 billion per annum. The public ridiculed government work and workers.

Knowledgeable observers readily admitted that governmental institutions needed an overhaul (DiIulio 1995; DiIulio, Garvey, and Kettl 1993). Many believed that the solution lay substantially in copying the painful restructuring corporations had undergone to become more quality- and customer-focused. This particular approach became embedded in the philosophy of reinvention, which was popularized by Osborne and Gaebler (1992) in their bestseller *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (Carroll 1995; Durst Charldean-Newell 1999; Kamensky 1996; Maor 1999; Brudney, Herbert, and Wright 1999; Mumford 1996; Schacter 1995; Fox 1996). A central piece of reinvention involved the empowerment of employees: "In today's world, things simply work better if those working in public organizations--schools, public housing developments, parks, training programs--have the authority to make many of their own decisions" (Osborne and Gaebler 1992:251).

Eager to portray an entrepreneurial, pro-growth image, the Clinton-Gore administration embraced reinvention. Early in 1993, the NPR began a six-month assessment on how to reinvent

government, listening carefully to the experiences of corporations in enhancing competitiveness. For better or worse, the private-sector model “had a powerful impact on the reinventing government movement. It provided both a language for charting the reforms and an argument, based on the struggles of corporate America, about why change was needed” (Kettl 1998:12). Accepting the private-sector model meant supporting the empowerment of government workers. Conceptually, this proved an easy sell to the administration, and it comported with the view of many academics whose opinions were solicited. As Levine (1995:1) stated: “Extraordinary claims have been made about employee involvement for generations. The reason is simple: Employee involvement works....”

The NPR found compelling reasons to recommend a paradigmatic shift in federal labor-management relations. It echoed the stark findings of a comprehensive study on the federal labor relations program conducted by the General Accounting Office in the early 1990s. The GAO (1991:2) found that the “program is not working well...[it] is too adversarial and often bogged down by litigation over procedural matters and minutiae...”<sup>6</sup> Adversarialism seduced agencies into paralysis. The GAO (1991:76) noted that “an effective labor-management relations program would enhance the chances for success of the quality improvement initiatives being sought by federal agencies.”

The NPR took this line of reasoning a few steps farther--directly down the road to reinvention. It put the case succinctly, borrowing from corporate experience:

Corporate executives from unionized firms declare this truth from experience: No move to reorganize for quality can succeed without full and equal participation of workers and their unions. Indeed, a unionized workplace can provide a leg up because forums already exist for labor and management exchange. The primary barrier that unions and employers must surmount is the adversarial relationship that binds them to noncooperation. Based on mistrust, traditional union-employer

relations are not well-suited to handle a culture change that asks workers and managers to think first about the customer and to work hand-in-hand to improve quality (NPR 1993:87).

Something had to be done, and done quickly, about labor-management relations if reinvention was to have any chance of getting off the ground. The question was what.

On this matter, the NPR received extensive advice from the three major federal-employee unions: the American Federation of Government Employees (AFGE); National Federation of Federal Employees (NFFE); and National Treasury Employees Union (NTEU).<sup>7</sup> In a major report addressed to the Clinton-Gore administration, *Total Quality Partnership: A Vision for the Future* (AFGE, NTEU, and NFFE 1993), the unions condemned the labor-management relations program and recommended that the president issue an executive order creating labor-management partnerships as vehicles to promote reinvention. Better labor-management relations became the *sine qua non* of transforming federal agencies:

In order to overcome the current strident and adversarial labor-management relationships, the President must use his leadership to clearly identify the goals of labor-management partnerships and to establish the attitudes necessary for the partnerships to flourish. The executive order would charge the partners with joint responsibility for the creation of high performance and mission oriented workplaces. Agencies would be directed to work with their employees and their employees' chosen union representatives in order to create or adapt existing structures to provide for joint decision-making (AFGE, NTEU, and NFFE 1993:6).

The executive-order offered political convenience and expediency. It imposed a new policy framework for labor-management relations without having to get congressional approval. It partially repaid a tremendous political debt Clinton and Gore owed the public-sector unions for the massive support provided in the 1992 presidential campaign. In addition, an executive order gave the administration leverage with the unions. Behind the scenes, intimate negotiations occurred between the administration and the federal-employee unions on how to operationalize

labor-management cooperation and reinvention, and what else to include in the implicit contract being drawn. A deal of sorts was struck: unions would accede to the sizable downsizing reinvention contemplated in exchange for a place at the partnership table; the NPR, in fact, recommended slashing over 250,000 civilian jobs from the federal service (NPR, 1993; Ban 1995).<sup>8</sup> Moreover, the unions hoped that partnership would strengthen them institutionally and that the administration would push for statutory changes to further union security.<sup>9</sup>

### **Partnership and Reinvention**

The partnership initiative rested on a straightforward logic. Labor-management cooperation would supplant adversarialism through a partnership venue superimposed on the existing FSLMRS program, and thereby transform the labor relations climate so as to facilitate reinvention (cf. Fuller and Hester 1998; Wagner 1997; Voos 1986; 1987; Eaton 1994; Perline 1999). The how and why, however, is not so transparent. Simply erecting a partnership does not guarantee transformation. To shed light on the "black box" of partnership, we look at several theoretical perspectives. These perspectives provide insight into the dynamics one expects to yield real change. If partnership operations conform to such expectations, then transformation in labor-management relations becomes more likely. Another important consideration is the relationship between partnership and union strength, the latter of which is relevant to achieving the former. If partnership were to weaken unions, it would contribute to its own defeat. Weak unions do not make strong partners.

### **The Logic**

In examining the dialogue on reinvention, it often becomes easy to confuse means with ends. The NPR report itself adds to this confusion. It laid out "four key principles" that summed up what it meant by reinvention: (1) cutting red tape; (2) putting customers first; (3)

empowering employees to get results; and (4) cutting back to basics: producing better government for less. A deeper analysis, however, reveals that there are only two real ends of reinvention, namely, works better and costs less, or, more formally put, effectiveness (better performance) and efficiency (fewer people). Cutting red tape--de-bureaucratizing--and empowering employees--decentralizing--really represent means to an end, although the latter in particular may be valued in and of itself as a legitimate policy goal, much as the National Labor Relations Act is for endorsing collective bargaining as a means of achieving industrial comity.

In reality, the second and fourth principles the NPR constituted the fundamental ends of reinvention. Customer satisfaction is a vital end itself, representing a salient aspect of works better. It aims to build public confidence in government. Cutting red tape, however, is a means to an end: freeing employees and agencies to achieve meaningful results. As the NPR stated (1993:6): "Effective, entrepreneurial governments...streamline their budget, personnel, and procurement systems--liberating organizations to pursue their missions." Similarly, empowering employees is a means to an end:

Effective entrepreneurial governments transform their cultures by decentralizing authority. They empower those who work on the front lines to make more of their own decisions and solve more of their own problems. They embrace labor-management cooperation, provide training and other tools employees need to be effective, and humanize the workplace. While stripping away layers and empowering front-line employees, they hold organizations accountable for producing results (NPR 1993:7).

Basically, reinvention espoused labor-management partnership as a means of transforming the labor-management culture so as to make government more effective and efficient. The operationalization of partnership reflected a mix of progressive policy thinking and practical politics. In concept, it "elevated federal unions to equality with agency managements" (Nesterczuk, Devine, and Moffit 2001:2), though the label of co-management

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rebuffed like the plague.<sup>10</sup> Figure 1 depicts the aims of partnership and labor-management relations in the context of reinvention.

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### **Theoretical Perspectives**

Several theoretical perspectives provide a basis for justifying partnership as a means to such an end. We briefly review seven such perspectives: union discipline and industrial jurisprudence; exit-voice; social capital; communications networks; strategic choice; negotiations; and employee involvement. In so doing, we recognize that the empirical evidence on employee empowerment and organizational performance is mixed (see Osterman 2000; Rubinstein 2000; Locke 1989; 1994). However, these perspectives provide insight as to why labor-management partnership might positively affect the labor-relations climate and agency results (for related types of discussions, see Deakin, Hudson, and Wilkinson 2002; Turnbull, Blyton, and Harvey 2002; Kim 2002; and Kearney and Hays 1994). Table 1 provides a summary of these perspectives.

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***Union Discipline and Industrial Jurisprudence.*** It has been argued that a union presence may shock management into systematizing its operations (Slichter 1941). Management adjusts by formalizing ways of treating people in conjunction with a negotiated contract that amounts to a system of industrial jurisprudence. A negotiated system reduces the adverse consequences of managerial opportunism that represents a failure to appreciate the

need for policies? (Slichter, Healy, and Livernash 1960:9). Kochan (1980:332) elaborated upon this point in discussing how management may adjust to unions:

higher wages should allow the company to recruit higher quality workers for bargaining unit positions. Managers may gain increased employee motivation or effort from improvements in the terms of the contract. Management may invest more in training in order to improve the ability or skill levels of employees. Management may become more efficient in its use of supervisory and human-resources planning functions by formalizing policies and increasing its use of personnel and labor relations specialists, and so on.

In the context of partnership, this perspective suggests that an expanded union role may increase the range of matters over which such positive results could materialize. Management would arguably be forced to think more precisely about ways to gain efficiencies in this partnering context.

Parenthetically, the partnership mandate explicitly required agencies to provide training to managers and employees on how to operate cooperatively through interest-based negotiating. E.O. 12871 had an enabling purpose.

***Exit-Voice.*** With a wide jurisdiction to examine agency operations and practices, partnerships would expand the voice of employees and their union representatives to an extent vastly greater than permitted under the FSLMRS's circumscribed scope of bargaining. As Freeman and Medoff (1979:73) observed, unions "alter the social relations of the workplace." They give workers a collective voice through which to influence management as an alternative to exercising the "exit" voice. As their voice expands, information-sharing, communications, and decision-making should improve.

Although "quitting" as a form of exit may not constitute a significant problem in much of the federal service, lesser forms of withdrawal are serious. Employees may withhold information, expertise, and effort--unleashed discretionary talent and energy--because they lack a meaningful voice (Tobias 2002). Genuine partnership should alleviate this insidious problem, or, at least, that is the intent.

***Social Capital and Networks.*** By providing a broad-based venue from which to interact

with managers, partnerships should expand the sphere of social relations. The significance of this lies in the fact that social capital is considered to be a vital component of workplace operations and, eventually, organizational performance (see, e.g., Bolino, Turnley, and Bloodgood 2002). According to Adler and Kwon (2002:23): "Social capital is the goodwill available.... Its effects flow from the information, influence and solidarity it makes available...."

In essence, social capital, derived from expanded and more efficiently and effectively networked relationships, "facilitates access to broader sources of information and improves information's quality, relevance, and timeliness" (Adler and Kwon 2002:29). One of the expected benefits of social capital is greater commitment to "superordinate goals" (Adler and Kwon 2002:30). From this perspective, partnership becomes a vehicle by which to alter social networks in order to enhance "information exchange and influence relationships" (Pearce and David 1983:437).

***Communications Networks.*** A similar argument arises from the perspective of communications networks. Partnerships can be viewed as networks of communications. In fact, they are a deliberate means of altering the traditional venue of communicating--adversarial collective bargaining. As such, partnership "emphasizes the importance of interdepartmental communications and coordination" (Rubinstein 2000:201). Communications should be expanded in multiple directions: upstream, downstream, and laterally, as well as internally and externally.

Accordingly, the sphere of social relations and resulting capital should be greatly enlarged. The volume and quality of information shared would be increased. Decision-making would improve. Mistakes would be avoided. In short, a fundamental shift in relationship and culture would occur.

**Strategic Choice.** This perspective emphasizes the choices that the major actors in an industrial relations system make. Specifically, the argument is that the actors have a range of choices, varyingly constrained, to exercise in their interactions (Godard and Delaney 2000; Camling and Michelson 1998). As Kochan, Katz, and McKersie (1986:5) have observed: “industrial relations practices and outcomes are shaped by the interactions of environmental forces *along with* the strategic choices and values of American managers, union leaders, workers, and public policy decision makers.”

In the case of partnership, several key actors had made an important choice. Specifically, policy makers and union leaders had decided upon a strategy of cooperative labor-management relations, with a vastly widened domain of union input contemplated. Under the mandate, agency managers had the choice made for them.<sup>11</sup> A decided shift in culture and performance was expected to occur because of this strategic choice.

**Negotiations.** It has long been recognized that, even within the framework of collective bargaining, negotiations need not be adversarial, zero-sum, or distributive (Walton and McKersie 1967). Integrative bargaining considers explicitly the possibility of mutual gains. Moreover, it has been argued that the mindset one brings to negotiations can improve the chances of mutual gain. This notion gained popular exposure with Fisher and Ury’s (1991) *Getting to Yes* model of interest-based bargaining. Bazerman, Curhan, Moore, and Valley (2000:289) have argued that how the parties initially perceive the structure of negotiations will influence how they behave: “fixed-pie biases result in a largely predictable outcome that fails to capture gains from integration.”

The challenge, therefore, is to encourage the parties to see their relationships or

interactions as leading to mutual gains, not distributive allocations. As Kochan and Osterman (1994) argue, parties should become part of a “mutual gains enterprise.” One way of doing this is by sharing more information in a climate that starts with an integrative mindset (Bazerman and Neale 1992; Thompson 1998). This, indeed, is the intent of the federal-sector partnership initiative.

***Employee Involvement.*** Employee involvement has emerged as a distinct counterpoint to scientific management. The latter stressed management control, functional departments, routinized jobs, technical proficiency, internal focus, and a compliant workforce (AFGE, NTEU, and NFFE 1993). As a result, employees had little incentive to be creative, innovative, or cooperative. Quality eventually suffered, as did customer-focus and service.

Empowerment or involvement turns this approach on its head. Instead of viewing employees as appendices of production processes whose costs should be controlled, new management systems were needed that value workers as irreplaceable assets of the organization? (AFGE, NTEU, and NFFE 1993:25). Efforts should be made to give workers the skill and freedom necessary to enable them to reach their full potential. Inviting their involvement is an essential part of empowerment and recognition.

Levine (1995:166) puts the case succinctly: “Organizations that have invested in their people have, on average, enjoyed impressive returns? (cf. Freeman and Kleiner 2000). To be fully successful, employee involvement requires investing in employees--and empowering employees from a decision-making viewpoint: “In the high-involvement workplace, workers or work groups have substantive decision making rights...” (Levine 1995:164-165). The implication is manifest: partnerships, to succeed, must confer power and authority. This is what the Clinton-Gore administration had in mind, but it can be a long road between intent and

practice.

In sum, numerous theoretical perspectives provide a basis for expecting partnership to improve the labor-management climate and organizational performance. The common theme is transforming the relationship to make it richer in information exchange and substantive meaningfulness. The parties interact on a different level, not as adversaries, but as partners in a common enterprise. Commitment, knowledge, and trust are built.

### **The Transformation**

Partnership aimed to transform the labor-management model in the federal sector on three dimensions: the domain of issues covered; the nature and timing of the relationship; and the goals behind the labor relations function (see Figure 2). First, partnership, as will be discussed in greater detail below, expanded the substantive realm of issues over which the parties were expected to deliberate. It superimposed a new venue of interaction on top of collective bargaining that included an agency's mission, business, and relevant workplace/organizational issues. Unions were expected to play a role with management in aligning business and workplace practices with agency mission so as to improve performance.

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Second, partnership envisaged transforming the relationship from a tactical, adversarial one to a strategic, information-sharing one. This has direct implications for the timing of the parties' interactions. It is no longer sufficient to meet and confer as a contract expiration date nears. Instead, labor and management must meet frequently on a continual basis, irrespective of contract deadlines. More important, to be true to the spirit of partnership, the parties must operate on a pre-decisional basis, that is, before management makes decisions on matters within

the expanded domain. If partnerships were to be legitimate forums for rendering decisions, then the pre-decisional deliberations had to be more than mere consultations. An expectation of negotiated decision-making emerged.

Finally, the goals of partnership differed from those involved in traditional collective bargaining or labor-management cooperation. Reaching a formal contractual agreement on traditional negotiability items was not a driving factor. Rather, the parties sought, ultimately, to improve organizational performance. This meant generating improvements in quality, reducing costs, and increasing productivity.

### **Union Institutional Effects**

Improving labor-management relations represented one of the primary foci of the reinvention-partnership initiative, but another major concern, among the unions, revolved around strengthening labor institutionally. As mentioned, the three principal unions had nominally high representational numbers, but this did not translate into a dues-paying equivalent (Masters and Atkin 1989; Masters and Albright 1993). Federal law banned union-security arrangements, and limitations on collective-bargaining arguably diminished employees' incentives to join.

In supporting partnership, especially in the context of a reinvention that explicitly sought a 250,000-plus workforce cutback, the unions knew that cooperation itself might have problematic effects on their institutional appeal. On the one hand, the expanded recognition and responsibility partnership conferred, especially through a presidential order, might encourage federal employees to see greater benefit from joining a federal-employee union. On the other hand, as the benefits of partnership could not be restricted to union members *per se*, the incentive to free ride remained and perhaps even grew (cf. Olson 1965). Also, unions could find themselves further stretched institutionally in deploying resources to make partnership work

effectively. Furthermore, partnership itself might create the impression the unions had “sold out to” or “gone to bed with” management and abdicated their real power, which was exercised via collective bargaining, especially as downsizing took effect. As a matter of fact, nonpostal civilian federal employment fell by 420,000 from 1992 to 2000.

### **E.O. 12871 and the NPC: Partnerships Proliferate**

On October 1, 1993, President Clinton issued Executive Order 12871 mandating the creation of labor-management partnerships. He accepted the recommendation of the NPR (1993:88) that “The President should issue a directive that establishes labor-management partnership as an executive branch goal and establishes a National Partnership Council to help implement it.” President Clinton also heeded the advice of the major federal-employee unions, which went beyond mandating partnership. As mentioned, they had urged the president to support statutory changes to expand the scope of bargaining and permit certain types of union-security arrangements (AFGE, NTEU, and NFFE 1993). The latter proposal in particular struck a very sensitive nerve among the unions for obvious reasons. The AFGE and NFFE, for instance, represented 665,328 and 146,767 federal employees, respectively, in the early 1990s, but fewer than one-third actually belonged to the unions as dues payers (Masters 2002). About half of the 148,882 employees represented by NTEU had joined--a better but by no means comfortable situation. The possibility of negotiating union-security agreements to remedy this situation required congressional approval; it could not be done by presidential fiat. President Clinton mandated the NPC to review and propose needed statutory changes on a strict timetable.

### **E.O. 12871**

As is often the case in labor-management relations, the devil lies in the detail. Therefore, it becomes important to look carefully at the language used in E.O. 12871. The specific words

have important implications for understanding the role and power that President Clinton intended to confer upon labor-management partnerships. In this regard, we contend that partnerships were intended to be much more than narrowly focused labor-management committees. E.O. 12871 intended for labor-management partnerships to be given the broadest charters needed to fulfill agency missions to put customers first by providing a government that works better and costs less (Tobias 2000).

The October 1, 1993 order on Labor-Management Partnerships articulated the salient objectives of partnering; created and empowered the NPC; mandated the government-wide establishment of partnerships; expanded (to a limited extent) the scope of bargaining; and requested the NPC to propose "to the President by January 1994 statutory changes necessary to achieve the objectives of the order" (see Table 2). The goals of partnership merit repeating: to develop and implement comprehensive changes to reform government; to champion change in agencies; and to transform organizations into high-quality performers.

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**Insert Table 2 About Here**

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E.O. 12871 established an 11-person NPC, which included the Director of the Office of Personnel Management, the chair of the Federal Labor Relations Authority, the head of the Federal Mediation and Conciliation Service, five other agency executives, the presidents of the AFGE, NFFE, and NTEU, and the Secretary-Treasurer of the former Public Employee Department (PED) of the AFL-CIO. [The Council was later expanded to include representatives of the Senior Executives Association and the Federal Managers Association; the PED position became defunct when the AFL-CIO disbanded the department.] The NPC was empowered to advise the president on labor-management relations; support and promote partnerships; collect

data on partnership efforts; foster partnership agreements; and work with the President's Management Council to implement the gamut of reinvention proposals made by the NPR.

One of the most important aspects of the order required the head of each agency and department to establish labor-management partnerships "at appropriate levels." The president mandated that these partnerships "involve employees and their union representatives as full partners with management representatives to identify problems and craft solutions to better serve the agency's customers and mission."

Furthermore, in a somewhat controversial move, the president unilaterally expanded the scope of bargaining. In seemingly antiseptic language, E.O. 12871 ordered each agency and department head to "negotiate over the subjects set forth in U.S.C. 7106(b)(1), and instruct subordinate officials to do the same." Items enumerated in (b)(1) of this statute (i.e., FSLMRS) are technically "permissive;" they may be negotiated at the election of the agency. Specifically mentioned are "the numbers, types, and grades of employees or positions assigned to any organizational subdivision, work project, or tour of duty, or on the technology, methods, and means of performing work." According to the executive order, agencies were expected to treat these permissive items as mandatory if raised by the union. [This provision of E.O. 12871 proved to be one of the most contentious and legally difficult aspects of the whole partnership effort.<sup>12</sup> Moreover, a federal court ruled that the order did not constitute an "election" on the part of an agency.]

### **The NPC Starts**

The NPC got started quickly. It formed several working groups to develop recommendations on statutory changes for the president. Its efforts, however, proved inconclusive, especially as regards the mandatory scope of bargaining and union security (Ban

1995). The NPC simply could not reach agreement on these matters, and instead proposed a menu of options for consideration.<sup>13</sup> Any prospect of statutory change dimmed at this precise moment of indecision. It vanished with the Republican takeover of Congress in the 1994 elections.

### **Partnerships Proliferate**

As a joint labor-management body, the NPC experienced predictable growing pains. Trying to agree on proposals to make statutory changes opened a can of worms. Wisely, however, the NPC did not dwell on these divisions. Instead, it directed its efforts toward fostering partnership outside the adversarial context of collective bargaining. Separated from the bargaining process *per se*, partnerships had considerably greater latitude within which to deliberate. Ban (1995:148-149) articulated the significance of real partnership outside formal bargaining:

Changing the role of unions and their relationship to management could end up being one of the most significant accomplishments to come out of the NPR process... And the creation of partnership councils at both the national and agency levels, and potentially down to each workplace within the government, provides at the minimum an avenue for discussion outside the traditional adversarial collective bargaining process.

E.O. 12871 occasioned the rapid proliferation of partnerships as agency heads acted to fulfill the president's mandate. By 1996, 70 percent of the over one million federal service bargaining-unit employees were represented by labor-management partnership councils (NPC 1996). Seventy-two percent had partnership agreements. Over time, the totals shrank modestly, due in part to downsizing and reorganization. Yet, a 1998 NPC update on the status of partnership showed that 67 percent of the more than 1.2 million bargaining-unit employees were represented by partnership councils: 68 percent, or 827,368 federal employees, were covered by

partnership agreements.

### **Selected Partnership Agreements**

To comply with the president's order, most agencies and unions that created joint labor-management partnership councils did so via formalized partnership agreements.<sup>14</sup> The language used to define the purpose of partnership in these agreements is instructive in showing the breadth of activity and influence envisioned by the parties. In Table 3, we present excerpts of several partnership agreements to illustrate this point.

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**Insert Table 3 About Here**

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Each of the agreements charts a purpose aimed at fulfilling the agency's mission. These agreements, which parallel the order itself, envision partnership playing a role in helping the agencies improve their performance. The upshot of this is that labor unions are given a voice in the mission and business of the agency. Bluntly, no topics are off limits. No haggling over jurisdiction or scope is envisioned. Furthermore, the parties are expected to work together in a collaborative fashion. Neither E.O. 12871 nor partnership agreements reached by the parties themselves contemplated elevating the legalistic battles fought over the scope of bargaining under the FSLMRS to the partnership level.

### **Data and Sample**

We collected data as part of a comprehensive study to evaluate partnerships in the federal sector. Eight federal agencies of diverse size, mission, and visibility chose to participate in the study. These agencies, in turn, selected 54 local and regional sites to study, plus their six agency-wide councils (two agencies did not have agency-wide councils).<sup>15</sup> Together, the agencies encompassed more than 310,000 bargaining-unit employees. The local sites, combined,

covered about 70,000 employees, including non-unit employees.

### **Data Collection**

Three types of data were collected: survey, interview, and archival. We designed and administered three questionnaires: partnership council participant; employee; and union leader. [We present data only on the first.] An ad hoc labor-management committee among participating agencies and unions advised on the design of the questionnaires. We pre-tested the council-participant questionnaire in late summer 1999. The instrument includes 102 separate items divided into six parts: partnership activities; partnership effectiveness; organizational climate; labor relations climate; agency performance; and background information.

Research Applications of Rockville, Maryland printed, mailed, and collected the questionnaires across the eight agencies. The agencies distributed the questionnaires to the current participants on the labor-management councils among the sites selected, including participants on agency-wide councils. We assured confidentiality and anonymity. The agencies administered and returned the questionnaires during the January-June 2000 period, with the precise dates depending upon their differing timetables.

Second, we conducted 298 one-on-one structured interviews with council participants. The interview instrument asked participants about council activities, operations, accomplishments, and impacts. We conducted these interviews during site visits made over the June 1999-October 2000 period. The interviews, on average, lasted about 30 minutes.

Third, we gathered extensive archival data about the councils and the sites they represented. We collected, when available, information on partnership agreements, bargaining contracts, partnership-council minutes, partnership-evaluation reports, and program and policy initiatives resulting from partnership. We also asked for site-specific data on grievances,

arbitrations, unfair labor practices, impasses, and indicators of organizational performance. For the most part, the federal agencies could not produce such agency-specific data.

To gain a wider perspective, we conducted background interviews with key policy makers and management and union representatives on a variety of relevant topics. These topics included the role of the Federal Labor Relations Authority (FLRA) and OPM in promoting partnerships; the scope of bargaining under (b)(1) of the FSLMRS; partnership impacts; and pre-decisional union involvement, which could be a particularly vexing topic for both sides.<sup>16</sup>

### **Survey Sample**

The federal agencies identified 651 partnership council positions across the sites and agency-wide partnerships. We use the term position rather than individual because some union and management representatives served on more than one of the councils selected for study in an agency. For instance, a representative may have simultaneously served on a local or regional council as well as the agency-level partnership. To minimize any individual's hardship in the surveying process, we asked the agencies to send each participant on a council(s) only one survey. If an individual served on more than one council, the questionnaire instructed that person to respond on the basis of service on the highest organizational level council. Therefore, the total number of unique questionnaires mailed is less than the 651 positions on councils. Unfortunately, we do not know the precise number of individuals who served on more than one council. However, we base the overall survey response rate on the 651 figure, which gives a conservative result.

We received a total of 356 usable questionnaires among the partnership council participants surveyed, yielding a 54.7 percent response rate. The sample of respondents breaks

down as follows along certain key characteristics (see Table 4).

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**Insert Table 4 About Here**

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Nearly 58 percent of the sample consists of management representatives; union representatives constitute 40 percent. The average age is just about 50 years, and the average tenure within a respondent's current agency of employment is nearly 20 years. Almost 60 percent is male; 82 percent is white; 80 percent works in the general schedule (GS) pay system; and the sample divides almost evenly (35 percent) between professional and administrative job categories. A very small percentage works in the wage-grade or blue-collar sector.

No pretense is made that this sample is random. Nor is it fully representative of the federal workforce, because it is concentrated in a few agencies which both opted to participate and selected their councils for study. [The agencies were asked to pick a set of councils that varied from high-to-low performing partnerships.] Also, given that the surveyed sample split evenly between management and union representatives, it overstates both managerial and union employment in the federal-sector at large.<sup>17</sup>

Nonetheless, we compare the sample of respondents to federal workforce demographics to gauge their comparability. The average age of the federal workforce in 2000 was 46.3 years (49.3 in the sample), and the average length of service was 17.1 years (19.8 in the sample). The sample is also comparable in terms of the percentage of women (41.5 percent in sample; 45 percent in the workforce). However, the sample is under-represented in terms of minorities. Almost 82 percent of the sample was white (nonhispanic) compared to 70 percent of the workforce. Similarly, while 72 percent of the workforce is employed in the general-schedule pay system, slightly over 80 percent of the sample is GS. In addition, the sample is

overrepresented with white-collar employees: 96.8 percent compared to 87 percent across the workforce.

## **Survey Results**

### **Partnership Activities and Operations**

Unlike collective bargaining, partnership is intended to be a year-round activity. Rather than meeting for the explicit purpose of negotiating a new contract or revising an old one, an activity that may take place only once every two or three years, the parties are expected to meet regularly to share information and make decisions which will improve the agency's ability to achieve its mission. Developing effective lines of communication and holding informative and productive meetings in a timely manner are operationally essential to the development of effective partnerships. Commitment and dedication are vital from both sides. In this context, it is important to realize that every one of the management and union representatives on the partnership councils we studied was also a federal employee who was expected to fulfill his or her responsibilities in that capacity. No council participant had his or her duties lightened because of partnership service. If anything, as many of the agencies were downsized in the 1990s, these employees saw their obligations grow. The public demands on government grew at the same time that fewer people were available to do the work. Simply finding time to devote to partnership often became a challenge for council representatives on both the union and management sides. Parenthetically, the lack of resources in the form of clerical support, communications, and travel and training expenses was often an important constraint on partnership operations.

In the survey, we asked several items about partnership service and activity (see Table 5).

Among the respondents, nearly 60 percent had served on a council for one-to-four years. Slightly more than 23 percent had served for five or more years, but about 18 percent had served less than one year. Turnover and inexperience were both an issue on some councils. In terms of how often they met, 37 percent of the council participants indicated that their councils met more than 10 times a year. Another 24 percent indicated that their councils met 7-10 times a year. In interviews, we learned that the modal council meeting was held monthly. We found a very strong relationship between the consistency in making meetings (that is, holding them on schedule) and the effectiveness of partnerships. This does not imply causality. Instead, we found that persistent “scheduling problems” on some councils reflected an intentional lack of commitment to partnership.

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**Insert Table 5 About Here**

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Another issue was the relative amount of time council participants were able to spend on formal and informal partnership activities. Formal activities include attending council meetings, preparing for council meetings, and implementing council recommendations. Informal activities include communications about various matters, including personnel issues, that come up in between meetings that might be appropriate for council action but necessitated immediate attention. These informal interactions, which were facilitated by partnership itself, were a potentially effective way of resolving issues before they resulted in employee grievances or other formal disputes.

We found that most council participants spent five hours or less a week on formal council activities: 38 percent, in fact, spent less than one hour, while 47 percent spent one-to-five hours. In addition to these formal activities, nearly 46 percent of the respondents indicated that they

spent one-to-five hours per week on informal activities. Almost 22 percent spent less than one hour.

At first glance, then, it would appear that partnership consumed a modest amount of time. However, it is important to put this allotment into perspective. If close to 50 percent of the participants spent two hours per week on formal and another two hours on informal activities, that amounts to four hours or ten percent of a work week. That is a nontrivial amount of time to devote to an additional responsibility which has nothing to do *per se* with the official duties of the participants. If one were to sum that commitment of time over a 50-week year of work, the total is 200 hours of service to partnership.

As a side note, one of the most contentious issues in the federal service is the use of “official time.”<sup>18</sup> Under law and contract, union representatives are given “official-time” release to perform various labor-management duties, including partnership. The amount of official time devoted to partnership, in the mind of management, was official time that it paid for, and it obviously wanted to make certain that this right or privilege was not being abused.

We should also note that 90 percent of the respondents indicated that their councils operated under a formal agreement. This gave their partnerships some measure of security beyond a presidential order. Partnership became a mutually agreed upon obligation.

From a practical standpoint, one of the critical details of partnership operations was agenda-setting. Clearly, partnerships could and would deal only with those items that were put on its agenda. In several of our site visits, we encountered partnerships that experienced difficulties in this regard. The difficulty was mainly in getting management to put substantive issues on the table. Union participants would indicate that their management counterparts would take a rather passive attitude toward the agenda. In these instances, the union representatives felt

that management would only put substantive issues on the agenda *after* a decision had been made. This made a sham of pre-decisional involvement, which unions argued was essential to partnership, particularly co-equal partnership. Invariably, these situations reflected an insurmountable adversarialism that pre-dated the partnership.

Therefore, it is important to look at the range of issues that councils addressed and the relative amount of time spent on these issues. We present such data in Figure 3. We asked participants how much time they had spent on 12 sets of issues, ranging from quality of work life and agency business to employee productivity and privatization. We found three areas in which nearly a quarter or more of the respondents indicated that their councils spent more than moderate amount of time: quality of work life, agency business, and human resource policies. Almost 20 percent indicated their councils had spent more than a moderate amount of time on partnership structure and operations issues. Only 12 and six percent, respectively, indicated that they had spent more than a moderate amount of time on agency performance and agency costs *per se*. We should note that these findings comport with our interviews, in which we asked participants to identify the issues on which their partnerships had devoted a relatively significant amount of time. The time spent on certain items, we hasten to add, has direct implications for whether or not partnerships were able to achieve the expectations behind the Clinton mandate. If partnerships did not devote time to agency business and other mission-oriented issues, it reflected a choice made by one of the parties. A mutual commitment to involvement is a pre-condition to devoting the time essential to achieve meaningful results.

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**Insert Figure 3 About Here**

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### **Dimensions of Process Effectiveness**

Partnership sought fundamental change in the labor-management relations process. It envisioned improved communications by replacing an adversarial with a collaborative process of sharing information and decision-making. Partnership also intended to expand the range of issues over which labor and management deliberate, to include the business and mission of the agency. This in and of itself made it all the more essential that communications improve. Finally, to make a real difference, partnerships had to use their time productively and have the ability to make recommendations or decisions that are given a high level of credence and acceptability in the organization. If these process elements were not in place, then partnerships could not live up to the intentions behind E.O. 12871.

We asked council representatives to respond to several items relating to communications, meetings, and decision-making. We grouped 10 of these items into three indexes that capture representatives' attitudes toward their partnerships' communications style, decision-making style, and meeting quality. Communications style includes two items regarding (1) the meaningfulness of communications and (2) the collaborativeness of communication between labor and management. Decision-making style consists of four items about (1) formal decision making; (2) the seriousness of consideration given to council recommendations; (3) if council implements its own recommendations; and (4) if council is an important decision-making body. The meetings index is composed of four items which ask the respondents' agreement on (1) whether council meets often enough; (2) if meetings are generally productive; (3) if meetings address issues relevant to agency business and mission; and (4) if the partnership council operates in between meetings to solve problems informally. The means and reliability coefficients for these indexes are reported in Figure 4.

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**Insert Figure 4 About Here**

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The mean responses show general agreement that council communications are collaborative and meaningful; councils are significant decision-making bodies; and council meetings are generally productive. Obviously, there is not unanimity on these matters, but the direction is clear, particularly with respect to communications style. The salience of these findings becomes more evident when examined in the light of how labor-management relations were viewed in the past.

**Labor-Management Climate**

We asked several questions about the labor-management climate. We used seven items adapted from previously validated surveys that assess the degree of harmony between labor and management (see Dastmalchian, Blyton, and Adamson 1989). In addition, we asked a specific question about how cooperative or uncooperative participants would characterize their labor-management relationship before they had a partnership council. A third item asked about the improvement in the relationship since the council came into being (5 = has improved very much; 1 = has deteriorated very much). The mean responses are reported in Figure 5.

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**Insert Figure 5 About Here**

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The data show modest agreement that labor-management relations are harmonious. (Bear in mind, respondents were addressing the relationships in their sites in general, not the specific council relationship.) However, the data also reveal a sharp sense that things have gotten better since partnership. Most viewed the labor-management relationship as uncooperative pre-partnership, a viewpoint consistent with the GAO's findings and prevailing

sentiment among knowledgeable observers. However, there is general agreement that the relationship had at least “improved some” since partnership was formed.

### **Partnership Impacts**

We asked council participants to indicate the extent that they agreed that their partnerships had an impact on nine areas relevant to agency performance. The list of performance items included matters the NPC, OPM, and our ad hoc advisory committee deemed important. We recognize, of course, that the survey data are only perceptual in nature. We are also aware of issues relating to common-response bias, but believe that the divergence on response items mitigates against this tendency. With regard to the perceptual nature of the data, we believe that participants’ perceptions are important in assessing the potential effectiveness of partnership. This line of argument is consistent with notions of participation efficacy at the individual and collective levels (Lam, Chen, and Schaubroeck, 2002). If participants believed that their partnerships are not having much of an impact, they might have become increasingly disillusioned with the process. Their psychological commitment to partnership could have suffered, diminishing their willingness to devote time and energy. As the OPM (2000) said in a report to the president issued in December 2000: “Partnership is not easy. It is a constant challenge to find the right mix of leadership, commitment, trust, desire to change, and honest communications that make partnership work.”

Figure 6 reports the mean responses on each of the nine performance areas. It shows, as might be expected, the strongest agreement with the labor-management communications dimension. The second strongest level of agreement was expressed on the impact of partnership on labor relations *per se* (i.e., more efficient negotiations, expedited grievance resolution). After these labor-management items, the highest levels of agreement were expressed on the

dimensions of cultural change and internal customer service. On each of the other items, the responses hovered around the neutral category. The lowest levels of agreement were expressed on the items pertaining to external customer satisfaction and employee productivity, which, incidentally, were two of the primary foci of reinvention.<sup>19</sup>

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**Insert Figure 6 About Here**

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One caveat merits note about these performance-impact perceptions. That is, even though the responses are split in terms of perceived impact, a sizable percentage of participants agreed that the councils had a positive impact on each dimension of performance. Specifically, 42.7 agreed that partnership had resulted in cost savings; 54.6 percent agreed that partnership had improved internal customer satisfaction; 33.3 percent agreed partnership improved external customer satisfaction; 33.1 percent agreed partnership had improved employee productivity; 46 percent agreed partnership improved employee morale; 62 percent agreed partnership had improved labor relations; 76 percent agreed partnership had improved labor-management communications; 51.9 percent agreed partnership had promoted a positive cultural change; and 33.4 percent agreed partnership had promoted reinvention.

### **Survey Analyses**

We conducted multiple-regression analyses to assess the relationships between variables we would expect to be associated with labor relations climate (Cronbach's alpha equals .89) and an index of the nine impact items (Cronbach's alpha is .95). Specifically, we test two ordinary least squares (OLS) regression models: one to estimate labor relations climate and a second to estimate partnership impact. The models are:

$$\begin{aligned}
 (1) \text{ Labor Relations Climate} &= \text{Union Representative} + \text{Gender} + \text{Race} + \text{Occupation} + \text{Tenure} + \\
 &\quad \text{Organizational Climate} + \text{Communications Style Index} + \text{Decision-} \\
 &\quad \text{Making Style Index} \\
 (2) \text{ Partnership Impact} &= \text{Union Representative} + \text{Gender} + \text{Race} + \text{Occupation} + \text{Tenure} + \\
 &\quad \text{Organizational Climate} + \text{Labor Relations Climate}
 \end{aligned}$$

Because the labor-management climate variable is endogenous, we also conducted a two-stage least squares (2SLS) analysis. In the first stage, we estimated labor relations climate with a set of instrumental variables as identified in equation (1). In the second stage, we estimated partnership impact with the labor relations climate variable predicted in the first stage. The measures for the variables are noted in the relevant tables below, except for those which have been previously defined (i.e., labor relations climate, partnership impact, communications style, and decision-making style).

### **OLS Climate Analysis**

Based on our previous discussion, we expect that both communications style and decision-making style will be positively correlated with labor relations climate attitudes. This is the fundamental expectation of partnership. We also expect that council participants' perceptions of their organizational climate will be positively correlated with labor relations climate. Organizational climate is a 16-item index (Cronbach's alpha = .95) that measures attitudes about supervisor-employee relations, managerial communications, conflict resolution norms, information-sharing, and empowerment.

Finally, we expect that union council representatives will have more negative perceptions of the labor relations climate than their management counterparts. In general, managers may have a stronger tendency to give a positive "spin." A straightforward comparison of the mean scores of union and management participants on the labor relations climate index suggested a clear difference in perceptions (3.16 for union participants; 3.73 for management participants).

We include measures of gender, race, occupation, and tenure (years of service with the current federal agency) as controls in the regression.

Table 6 reports the results. As hypothesized, decision-making style, communications style, and organizational climate are positively and significantly correlated with labor relations climate. Interestingly, the union-representative coefficient is positive, contrary to expectations, though it does not reach statistical significance. Overall, the regression explains 64 percent of the variance in labor relations climate attitudes.

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**Insert Table 6 About Here**

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### **OLS Impact Analysis**

In the second model, we estimate the partnership impact index as a function of labor relations climate, organizational climate, and demographic control variables. We expect both climate measures to be positively correlated with partnership impact. For the union-representative variable, we expect that it will be positively correlated with impact. We suggest this because union representatives arguably have a higher stake in being able to show that partnerships do have an impact. They may regard partnership as a real opportunity to share power that clearly would not otherwise be available. Also, to justify their role in making important organizational and personnel-policy decisions, they may wish to demonstrate to their members that their efforts in this regard are having a positive effect. In addition, union representatives may be closer to where the outcomes are actually felt, even if they pertain mainly to the psychology of the relationship between labor and management. Gender, race, occupation and tenure are control measures.

The results of the OLS analyses of impact are reported in Table 7. As hypothesized,

labor relations climate is positively and significantly correlated with partnership impact. However, organizational climate is negatively and significantly correlated with the impact index. The negative coefficient means that those who hold a more positive attitude about the organizational climate have more negative views about partnership impact. A possible explanation is that those who hold a generally positive view about the organization's management and culture see less potential for partnership. In other words, if things are good, then partnership is somewhat superfluous. Finally, the union-representative coefficient is in the expected direction and significantly correlated with impact. When controlling for labor relations and organizational climate, union representatives saw a stronger partnership impact than their management counterparts. Overall, the independent variables explain slightly more than 59 percent of the variance in the impact index.

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**Insert Table 7 About Here**

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### **Two-Stage Least Squares (2SLS) Regression**

As mentioned, because the labor relations climate indicator is endogenous, rendering the impact model non-recursive, we performed a two-stage least squares analysis of partnership impact. In the first model, we estimated labor relations climate, as presented in the previous climate equation. The second stage uses the estimated values of labor relations climate as a new variable to predict impact, so as to avoid correlated error terms. The results of the 2SLS equations are presented in Table 8. They show, as expected, that the labor relations climate index is positively correlated with partnership impact. As was the case in the OLS impact analysis, organizational climate is negatively correlated with partnership impact. Clearly, partnership council participants who hold positive views about the organization tend to be more

negative in their assessment of partnership.

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**Insert Table 8 About Here**

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### **Archival and Interview Data**

During the March 1999-October 2000 period, we visited 45 of the partnership sites and each of the six agency-wide partnerships, which met in various parts of the country. In these visits, we conducted 298 interviews with union and management representatives on these councils, split almost evenly between the two sides. The structured interviews asked specific questions about partnership activities, operations, accomplishments, impacts, problem areas, and barriers to reaching potential. On many of these site visits, we were able to observe council proceedings, often for a half or full day. In addition, we collected as much data as possible from each partnership on records of meetings, reports, and relevant policies. We also asked for longitudinal and/or cross-sectional agency site data on grievance rates, unfair labor practice filings, equal employment opportunity charges, and performance and productivity measures. For the most part, as previously noted, specific site-level data on these dispute and performance measures were unavailable.

In the process of conducting this research, we obtained several other documents evaluating partnership performance. In this category, the Social Security Administration (which was not part of the study) evaluation is noteworthy, as well as a multi-agency report prepared by the AFGE (1996). In addition, we obtained a handful of confidential agency reports. Finally, we reviewed a report prepared by the OPM for President Clinton in December 2000 that compiled agencies' self-assessments of the accomplishments and impacts of their partnerships. Most federal agencies, parenthetically, lacked specific data on measurable benefits and costs, and there

is no independent verification of the limited data that were provided.<sup>20</sup>

We present selected data on partnership accomplishments and impacts in Table 9. The data are presented in three columns, based on the information source. The first column reports data we compiled from interviews and archives. The second column presents information compiled by the OPM. On October 28, 1999, President Clinton issued a government-wide memorandum reaffirming his “strong commitment to partnership.” In his memo, he directed agencies to report their progress toward achieving the objectives of partnership. Agency reports were due at the Office of Management and Budget (OMB) by April 14, 2000. The OPM analyzed the agency submissions and reported to the president in December 2000. Finally, the third column is a catchall of asundry reports and documents on partnership accomplishments and impacts.

We do not offer these data as representative of partnerships. Instead, we have attempted to report general areas of accomplishments and impacts that we have been able to identify. In our extensive interviews and reviews of archival data, we found the identification of specific measurable accomplishments and impacts to be one of the most difficult questions posed, particularly outside the area of labor-management relations. We also found that partnership participants could more easily (but often not readily) list accomplishments but could very rarely quantify impacts.

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**Insert Table 9 About Here**

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Interviews, minutes of council meetings, and selected other information revealed that partnership accomplishments fell into four principal areas: policy initiation and innovation; organizational redesign; personnel policy; and labor-management relations. Numerous

partnerships devoted considerable time to policy initiatives in the areas of quality of work life, agency restructuring and modernization, customer service, and the quality and efficiency of program delivery. Because most of the agencies and agency sites under study were undergoing organizational redesign of some form or another, many partnerships worked diligently to implement restructuring, consolidations, downsizing, and technological upgrades with minimal hardship. These partnerships, especially at the local and regional levels, were often well suited to facilitate personnel redeployment and utilization. Without question, their efforts in this regard contributed greatly to whatever improvements in labor-management relations that occurred in these difficult times. Numerous interviewees testified how their partnerships had averted conflict and facilitated implementation in agencies undergoing what was often massive restructuring.

Several partnerships also addressed personnel policies and programs that had been of special consternation among employees. One area ripe for attention was that of employee awards and recognitions. Many partnership participants viewed policies and programs in this area as too politicized and sloppy. They focused on systematizing the criteria for allocating awards and recognitions. During an era in which pay increases were relatively restricted, any improvement in reward allocations was greatly appreciated, not only among union representatives but also managers.

The most direct and significant accomplishments—and implicit impacts—of partnership, however, came in the realm of labor-management relations. We encountered no instance in which council representatives felt that partnership had damaged relations between the parties, though there were clearly some which could not overcome systemically unhealthy relationships.

The most common accomplishments mentioned in labor relations pertained to grievance prevention, reduced formal disputes, expedited negotiations, and improved communications.

Indeed, the OPM report to the president reached a similar conclusion. The report found the most concrete record of accomplishments and impacts in this area. OPM stated (OPM 2000):

The rise of partnership has had the greatest impact on the labor-management relations climate.... We believe there has been a sizable shift toward labor-management cooperation and away from the mutually destructive, adversarial relations common in the past.... OPM sees evidence of change in several places. We see it in the overwhelming majority of agencies who identified tangible improvements in their labor-management relations as a result of partnership-building efforts....

In fact, OPM cited the drop in government-wide unfair labor practices charges as additional evidence to support this general finding. Clearly, if partnership were promoting more positive labor-management relations, we would expect to see a noticeable decline in formal disputes. While such data are not readily available on an agency-specific or site basis, government-wide indicators of formal disputes are compiled by the FLRA based on its caseload. In particular, the FLRA's caseloads on unfair labor practice charges, impasse filings, negotiability disputes, and exceptions to arbitrations provide data on trends in formal dispute activity. Table 10 reports such data over the 1993-2000 years.

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**Insert Table 10 About Here**

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The total number of disputes in each of the four categories fell significantly, comparing 2000 to 1993, even though the decline is neither steady nor uninterrupted. The number of unfair labor practice charges dropped by 35 percent (comparing 2000 to 1993) but fell to their lowest

point in 1997. Bargaining impasses had fallen 32 percent in 2000 vis-à-vis 1993, but were the lowest in 1997. Negotiability appeals dropped 32 percent (1993 compared 2000) though the lowest number occurred in 1994. Arbitration appeals fell 22 percent from beginning to end, but were lowest in 1995. In each case, the drop, comparing 1993 to 2000, exceeded the decline in federal-sector union recognition.<sup>21</sup>

We should note that the FLRA undertook a number of initiatives in the mid-1990s to foster labor-management collaboration in the workforce and reduce formal disputes. These efforts encouraged the parties to work together to resolve differences before they resulted in formal charges and to resolve formal disputes early rather than exhausting all possibilities before the Authority: “The CADR program assists the parties both in preventing disputes before they become cases and in coming up with ways to informally resolve disputes in pending cases” (<http://www.flra.gov/cadr/cadr/html>: “The FLRA’s Collaboration and Alternative Dispute Resolution Program”).

OPM found that most of the measurable cost savings and cost avoidance agencies had reaped as a result of partnership fell in the area of reduced labor-management conflict. But this was not the end of the story. OPM also discovered that several agencies had made demonstrable improvements in customer service, productivity, and quality of work life. These results should not be minimized or gainsayed. However, the record of partnership performance outside labor relations was decidedly mixed, as we also learned. OPM (2000) observed: “Most [agency] reports contained little quantitative data to support the conclusions about partnership and its impact. In the areas of customer service, quality, and productivity, a substantial number of reports contained no information at all about improvements resulting from partnership.” This led OPM (2000): to conclude that while “labor-management relations in the Federal Government

have improved substantially since the President signed Executive Order 12871 in 1993,... the changes have not been as deep or widespread as the President envisioned.”

This is certainly consistent with the survey data we gathered. OPM’s (2000): overall conclusion reflects what we found from interviews and partnership archives:

... the record is far from perfect. There are places where labor and management have struggled with little success to form partnerships. There are places where partnerships exist on paper but have no real vitality or impact. And there are places where labor-management relations actually worsened when the initial euphoria subsided and the expectations raised by the promise of partnership went unmet.

### **How the Unions Fared**

Federal-employee unions pinned considerable hope on partnership, but they did not enter it blindly. They genuinely sought the opportunity to expand their organizational influence through a new, nontraditional avenue. Ideally, their elevated status would promote membership recruitment and alleviate their chronic free-riding problem. At the same time, the unions recognized the hazards. Partnership was coupled with orchestrated downsizing. It implied cooperation on matters over which unions would traditionally voice their strongest objection. In addition, partnership, especially at the local and regional levels, could threaten to spread union resources too thinly. Other union services might suffer.

Given that the unions were unable to secure union-security rights, the impact of partnership on unions *qua* institutions becomes an interesting empirical question. We examine trends in federal sector union representation, union membership among the main federal-employee unions, and free-riding rates over the past decade. Obviously, the contraction of bargaining units through downsizing has direct implications for both representation and

membership. However, organizing new units is clearly one way for unions to grow. During the 1990s, both AFGE and NTEU placed significant emphasis on organizing new units and getting represented employees to join, i.e., closing the free-riding gap.

Table 11 reports aggregated and selected disaggregated data on federal-sector union representation over a ten-year period. The aggregate rate of representation held steady within the 59-61 percent range. However, the actual number of federal employees belonging to exclusively recognized bargaining units declined by 219,380, or 17.4 percent, comparing 1992 to 2001. In relative terms, this reduction was slightly below the 19.3 percent drop that occurred in aggregate civilian employment over the same period. Much of the overall decrease in such employment, it is important to note, took place in the Department of Defense, where the AFGE and NFFE have historically had significant representation.

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**Insert Table 11 About Here**

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These government-wide figures, however, mask sharp interunion differences. Each of the major three federal-employee unions saw their representational base shrink in the 1990s. Comparing 1992 to 2001, the AFGE and NFFE lost 12.4 percent and 6.4 percent of their bases, respectively, but these reductions were each noticeably less than the overall shrinkage in civilian employment. NFFE presented a dramatically different case. Its base plummeted, spiraling downward from over 146,000 to less than 69,000, or more than 53 percent. This occurred as a result of downsizing and the raiding of NFFE units by AFGE. At the end of the last decade, NFFE effectively ceased to be a viable concern. It found a hospitable suitor in the International Association of Machinists (IAM), with which it *affiliated* in September 1999. The IAM, though primarily a nonfederal union, has had a nontrivial presence in the federal government,

particularly in the Department of Defense.

Despite the drop in bargaining-unit representation, these three unions still represented an impressive number of federal employees. Together, their representational bases exceeded 790,000 employees, or approximately 75 percent of the entire recognized federal workforce. If these unions had roughly the same number of members as recognized employees, they, in combination, would constitute one of the largest unions today. As mentioned before, however, these unions do not enjoy that luxury. Their membership falls significantly short of their bargaining-unit bases, as revealed in Table 12. Over the 1995-2001 period, the AFGE's free-riding rate stood at or exceeded two-thirds of its representational constituency. NFFE's free-riding rate stood at a phenomenally high 85-89 percent. NTEU's hovered around 50 percent, a much better but by no means a comfortable position.

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**Insert Table 12 About Here**

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During the period of partnership, two of the unions (AFGE and NTEU) increased membership: AFGE's grew by 12.1 percent while NTEU's jumped almost 14 percent. In fact, the AFGE announced on June 13, 2002 that its membership had climbed above the 200,000 mark, reaching 200,287. NTEU, throughout the 1990s, continually looks for new groups of employees to represent. The number of units it represented increased from 48 to 64 during the 1991 to 2001 period. The NTEU has proved to be particularly adept at organizing professional employees in the federal sector. In the recent past, it has organized employees at the Securities and Exchange Commission, Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency.

Unsurprisingly, NFFE once again emerges as the outlier. Its membership was more than

halved between 1995 and 2001. In fact, it shrank by over 62 percent to 7,528 in 2001. This makes its affiliation with the Machinists even more understandable.

The central points one can take away from this picture is that partnership evidently did not occasion a burst of new organizing opportunities or facilitate the unions' efforts to bridge the representation-membership gap. However, despite a decline in civilian employment, the AFGE and NTEU did see their membership grow and their free-riding rates decline, albeit modestly. For all intensive purposes, these two unions survived a period of downsizing in relatively stronger positions. After needing an AFL-CIO bailout in the late 1980s, the AFGE stabilized and turned the corner. NTEU found new units and enjoyed small growth. NFFE's affiliation with IAM offers it the opportunity to stabilize and also to turn the corner, though this will be a difficult path.

### **High-Performing Partnerships**

In conducting this study, our ad hoc advisory committee and the NPC emphasized that we identify (1) the qualities which distinguished high-performing partnerships and (2) common barriers to realizing the potential of partnership envisioned by E.O. 12871. We approached both questions inductively. We identified those partnerships which had achieved significant accomplishments on organization-wide issues, such as modernization, reorganization, cultural transformation, and consolidation, that have significant performance implications. We asked each of the council-participant interviewees what, if any, were the significant barriers to realizing the full potential of partnership.

Based on our review of partnership records plus interviews, we found that councils varied widely in terms of performance. Placing them into distinguishable performance categories (high, medium, and low) often proved difficult. Nonetheless, a handful (no more than five of the 60

studied) emerged as distinctively outstanding for their continual accomplishments on meaty issues. At the other end of the continuum, a somewhat larger handful (about 10) were definitely dysfunctional. These partnerships, however, reflected systemically unhealthy labor-management relationships that had been in existence for some time. Also, most existed in environments that had faced extreme external challenges in the form of direct threats to contract out jobs en masse. The remainder of the partnerships fell in the middle, which is a vast continuum. Some of these middle-of-the-road performers would occasionally exhibit high-performance qualities.

High-performing partnerships exhibited several common elements that define their chemistry (see Figure 6). First, these partnerships behave strategically, even in the most turbulent environments. They keep their eye on the future, looking at the impact of what they do today on performance tomorrow. They are sensitive to how restructuring may affect core capability and what needs to be done to move the agency forward in difficult times. Second, these partnerships are mission-focused. They work hard to clarify the mission when the external signals, from Congress, the White House, or customers, are confused. They fundamentally appreciate how important it is for managers and employees at all levels to be clear about mission if teamwork and commitment are to flourish. In this regard, these high-performing partnerships stay focused on those issues essential to mission, which include organizational structure, incentive systems, staffing, training, and the introduction of effective systems of information technology, as well as creating a climate of trust between labor and management.

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**Insert Figure 6 About Here**

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Third, high-performing partnerships act as problem-solvers. They do not seek problems, nor do they invent them, but they do not avoid them. These partnerships deal with complex,

multidimensional issues that have potentially controversial interpretations, such as the consolidation of sites and, relatedly, downsizing. They find ways to adapt to changing environments by redeploying personnel, finding better utilization practices, and changing work patterns, so as to minimize hardship while improving performance.

Fourth, these partnerships operate pre-decisionally. That is, they get involved in issues as early as possible. This early involvement is as relevant for management as it is labor. Recognizing that agencies often do not have much latitude because of congressional or presidential (e.g. OMB) dictates, they nonetheless seek to involve the parties at multiple levels in the implementation if not the actual design of policy itself. We found that a source of frustration for partnerships across the spectrum was the sense that neither management nor union representatives were involved in critical decisions about the design or implementation of policy.

Finally, high-performing partnerships are strong-willed. These partnerships did not bury or sugar-coat differences between labor and management. We observed many heated disagreements between the parties over critical issues, such as introducing new standards of performance when employees might not have been adequately alerted or trained. Labor and management would voice their disagreement with each other, or even with externally mandated requirements they both felt were unrealistic. In the final analysis, however, their strong will shifted from disagreement to finding a common interest upon which to build a constructive approach.

Conversely, low-performing partnerships, those which accomplished little if anything at all of significance, were reactive, unresponsive to their environments and core stakeholders, personality-driven, problem-oriented, and unfocused. They created problems, vented petty personal agendas and personnel issues, and never stayed on topic or visited topics *de novo*.

Partnerships were just another means of exercising their unhealthy habits. In a few instances, things would deteriorate to the point that the parties avoided scheduling meetings, had a hard time getting a quorum when they did meet, or actually withdrew (in the case of the union representatives) from the partnership as a protest.

What factors fostered high-performing partnerships? What barriers stood in the way of achieving high-performance? The answers to these two questions are one in the same. The most critical element to promoting partnership was management commitment. This required more than testimonials to partnership from the highest ranking political appointees and senior executives. It required walking the talk. If this commitment was not evident, it sent a powerful message to management at all levels that partnership did not require anything more than going through the motions.

A second important factor is union strength, measured at two levels. First, it was absolutely necessary that unions have tangible credibility among rank-and-file. This translated essentially into dues-paying membership. Management needed to see that union representatives spoke for more than themselves. In several partnerships, particularly at smaller sites, the union representatives on the councils comprised the bulk of the membership at the site. At some larger sites, union membership was relatively scarce or split among rival unions. This made it difficult for union representatives to speak with a legitimate voice on behalf of agency-site employees generally. Second, union leaders needed to be confident in their support of partnership (cf. Voos 1986). Sometimes, partnership required that they make difficult choices or participate in inherently difficult decisions, such as reorganizing or restructuring.

The third factor (or barrier) is that of capability. Management and union representatives needed to have the basic skills, knowledge, and ability to deal with significant issues that

involved the business of the agency. These capabilities, moreover, could not be asymmetrically distributed. Union and management representatives both had to have the capabilities present at the table. If the parties needed assistance, they had to have the ability to bring in experts, either internal or external, which raises another point. That is, for partnerships to work, especially among partnerships at regional or agency-wide levels, it was essential that they have adequate clerical, travel, and administrative support, as well as appropriate communications capabilities. This kept things going in between meetings, ensuring adequate follow-up, agenda-setting, and other pre-meeting preparations.

### **Enter Bush: New Directions in Federal Labor-Management Relations**

Presidential orders are inherently fragile policy-making instruments. Technically speaking, they can be revoked with the same ease by which they are issued—the stroke of a pen. Only ideological predilection or political pressure assure continuity in executive-order policies across different administrations. Unfortunately for partnership proponents, President Bush did not see fit to continue the Clinton mandate. Unlike President Nixon, who replaced President Kennedy’s 1962 directive with a stronger order, President Bush felt neither ideological affinity nor political necessity to keep E.O. 12871. Within one month of his presidency, he issued E.O. 13203, revoking the Clinton order, disbanding the NPC, and rescinding agency directives implementing partnership.

President Bush rested his decision on two philosophical principles which gained increased emphasis in the months ahead because of the tragic events of September 11, 2001. First, President Bush sought to make government more responsive to the White House’s political sentiment. Issuing E.O. 13202, he heeded the advice of a report issued by the Heritage

Foundation (Nesterczuk, Moffett, and Devine 2001) which urged the new administration to bypass the “permanent government” of federal-employee unions, civil service groups, and oversight congressional committees and empower politically appointed agency leaders.

Second, the administration wanted to promote the idea of “managerial flexibility,” which presumably could not co-exist with mandatory partnerships. The principle of such flexibility gained official sanction in August 2001, before September 11, when the Office of Management and Budget issued the *President’s Management Agenda*. OMB (2001:5-6) stated that:

Federal managers are greatly limited in how they can use available financial and human resources to manage programs; they lack much of the discretion given to their private sector counterparts to do what it takes to get the job done.... OMB will package affirmative legislation comprising proposals to free managers in areas such as personnel, budgeting, and property disposal.... With Freedom to Manage will come clear expectations of improved performance and accountability.

In guarding against future terrorist attacks by creating the Transportation Security Administration (TSA) and the Department of Homeland Security (DHS), the administration pushed the doctrine of managerial flexibility further into direct opposition to collective bargaining rights *per se* under the FSLMRS. It insisted that the heads of the TSA and DHS be given the explicit authority to suspend union rights. The insistence that union rights be optional, in fact, suggested that the option would be exercised, as it has in the TSA, whose head denied security screeners the right to form unions in a January 2003 memorandum.<sup>22</sup> A new direction in labor-management relations clearly has emerged.

The recently concluded debate over creating the DHS raised feverishly conflicting views of labor-management relations in the federal service. In proposing the DHS, the Bush administration sought broad authority to suspend the collective-bargaining rights of the 170,000 federal employees that would be cobbled together under the new department. Coming from 22

existing agencies, these employees included about 43,000 which were already in exclusively recognized bargaining units. Among the agencies with existing union representation are the Customs Service, Immigration and Naturalization Service, the Coast Guard, and the Federal Emergency Management Agency. President Bush's proposal would have given the president and the new secretary of DHS the flexibility to determine which of these employees were to enjoy the protections of the FSLMRS and retain their pre-existing bargaining positions.

The Democratic-controlled Senate Governmental Affairs committee adopted a different approach, which would have allowed DHS employees to “keep their existing collective bargaining rights—unless their job changes, and there is a national security rationale for taking rights away” (Lieberman 2002). In adopting this approach, the committee challenged the administration's view “that union membership is somehow incompatible with an employee's effective, efficient, and loyal service to his or her country protecting our security” (Lieberman 2002).

After a prolonged political stalemate, broken only after the Republican sweep of the 2002 congressional elections, the administration and Congress reached a compromise of sorts in late November 2002 when the bill to create the DHS was enacted. Specifically, the statute gives the president and the DHS secretary the right to waive the application of FSLMRS provisions. If this right is exercised, the DHS secretary is required to consult with and hear the possible objections of the federal-employee representatives. Congress must be appropriately notified. If, after thirty days notice, the secretary decides to proceed notwithstanding union objections, he or she must so notify Congress. The bill also states that federal employees will retain their collective bargaining rights, except when determined otherwise, unless their jobs or the missions of their organizational division change, becoming central to the homeland security mission of

combating terrorism. It further states that the DHS should seek the input of employees and their representatives in order to fulfill its mission. Strictly speaking, the principle of managerial flexibility was preserved.

Thus, the status of existing bargaining units to be folded into DHS and the union rights of other employees not presently recognized are unclear. While the recently confirmed DHS Secretary, former Pennsylvania Governor Tom Ridge, has met with the heads of the major federal-employee unions and pledged to seek their input, there are no guarantees. Managerial flexibility has trumped union rights, just as it had trumped labor-management partnership in the early days of the administration. Labor-management cooperation is an option, not a requirement. As the current OPM director stated in June 2002:

When the President signed Executive Order 13203, there was speculation that it meant the end of labor-management cooperation and communication in the Federal Government. I think that it is wrong. The President was motivated by his conviction that partnership is not something that should be mandated for every agency in every situation. But while agencies are no longer *required* to form partnerships with their unions, they are strongly encouraged to establish cooperative labor-management relations.

Where does this leave partnership? It essentially leaves it up to agency heads. Technically speaking, agencies may choose to cooperate or partner if they so desire. Cooperation or partnership, however, is not expected if it conflicts with the imperative of managerial flexibility. When one views the revocation of E.O. 12871 along with recent developments in the TSA and DHS, the *President's Management Agenda*, and the growing push to contract-out or privatize hundreds of thousands of federal jobs, it becomes evident that cooperation is at best a marginal consideration. It is patently expendable, as are union rights, when made a managerial option. As the OPM (2001) stated in guidance issued to interpret the E.O. 13203, "The Order does not prescribe any particular approach to labor-management

relations. Agencies have discretion under the Federal Service Labor-Management Relations Statute (5 USC Chapter 71) to adopt a labor relations strategy best suited to their own needs.”

In effect, then, non-cooperation or “gridlock” becomes an option (Hyde and Joyce 2001). Moreover, it could become the likely scenario, with an unintended consequence of invigorating federal-employee unions. In speculating on the future under the Bush administration, the former president of NTEU, Robert Tobias (2002), underscores this possibility:

Even though unions and President Bush share the goal of increasing efficiency, union leaders will combat aggressively presidential efforts to exclude employee influence.... Union leaders will also object to any changes the President seeks that would give managers more flexibility in administering the civil service laws and regulations.

Union combativeness will, in turn, lead to a more aggressive response by the administration, stiffening reluctance among agency heads and managers to collaborate with unions and employees. The labor-management pendulum will swing back to its adversarial position.

### **Conclusion and Discussion**

We draw several conclusions from the evidence compiled. First, the federal service, as a whole, has acquired an extensive amount of institutional experience with labor-management partnerships over an extended period of time. Literally thousands of federal employees (i.e., union representatives) and managers participated in partnership councils. They experienced first hand the rigors of starting up and maintaining what were essentially labor-management teams within an environment littered with change, uncertainty, and confusion. Through these councils, managers and union representatives accumulated a wealth of social capital in terms of its structural, relational, and cognitive dimensions (Nahapiet and Ghoshal 1998).

Second, the most pronounced effects of partnership occurred in the realm of labor-

management relations. By improving communications and empowering employees and managers, partnerships improved the labor relations climate, reduced formal disputes, and facilitated collective bargaining. In doing so, they created an environment more hospitable to organizational change, much of which was unavoidably painful.

Third, beyond labor-management relations, partnerships varied widely in performance in terms of both accomplishment and impact. In general, their accomplishments revolved around improving the quality of work life and implementing organizational restructuring. For most part, their impacts could not be quantified. However, a handful of partnerships performed at what we considered to be a very high level, meaning they proactively addressed organizationally significant issues, such as modernization and comprehensive reorganization, in away that offered the potential to improve performance and reduce costs, especially through the more thoughtful utilization of personnel.

Fourth, partnership effectiveness depended on three critical variables: the commitment of senior management, including the highest-level political appointees; the strength of unions in terms of rank-and-file support and leadership confidence and security; and the competence of both management and union representatives to address issues related to the business of the agency, including its financial performance and its operational requirements. If any one of these elements was not sufficiently present, partnership could not live up to its potential. The first two, however, were arguably the most essential. If senior management was genuinely committed to making partnership work and unions enjoyed a relatively strong rank-and-file presence, then partnerships were generally set up to include experienced and knowledgeable participants.

Fifth, we conclude that partnership, by promoting labor-management transformation, did

give federal-employee unionism a modest boost. It gave unions a voice that exceeded anything they had experienced in the past. Also, during a period of significant retrenchment, two of the major federal-employee unions (AFGE and NTEU) were able to emerge in somewhat stronger institutional positions. We do not claim to have established partnership as the causal factor, but observe that both of these unions publicly championed partnership and used it as a recruiting tool. AFGE (undated document: 1;3) put it explicitly in urging federal workers to appreciate the opportunity partnership afforded:

Partnership offers unions a new set of tools to help meet these challenges.... There is no question that the Executive Order represents a dramatic break from the past.... The Executive Order furnishes a new model for labor relations in the federal sector, one that places a premium on cooperation over conflict, joint problem-solving over unilateral decision making, and shared goals over narrow interests.... Because of the Executive Order, federal labor unions have the opportunity to play a stronger and more significant role in workplace decisions than ever before.

Finally, while partnership arguably helped launch a cultural transformation, it did so at a price many are not willing to pay. Partnership elevated the decision-making status of unions. It thus threatened managerial flexibility and prerogative—i.e., management’s ability to act unilaterally. To some, union involvement at this level represented an intolerable extension of power to essentially unaccountable third parties (i.e., unions). In addition, it prevented government from acting with the speed necessary to meet today’s demanding and unpredictable challenges. Parenthetically, partnership lacked sufficient bipartisan support to survive a change in party control of the White House. Sharing power with elements of an interest group—organized labor—that in the main worked assiduously in behalf of your opponent was not something to be expected from the new administration.

Two final points merit discussion. One is that the “black box” of partnership appears to

involve three dimensions worth further exploration, theoretically and empirically. Specifically, effective partnering depends upon a combination of social capital, communications, and participation efficacy. Partnership created a venue for the parties to interact regularly (structural social capital). It was set up intentionally to foster collaboration and openness (relational social capital). Partnership also increased the parties' awareness of each other's interests and needs (cognitive social capital). In addition, partnership did more than erect a broad-based communications network. It invested power in the parties if they were willing to exercise it. The parties could thus see their collective efficacy through partnership, as long as they were each willing to share power.

The second point of discussion is that partnership demonstrated the relevance of considering dual or multiple labor-management systems in the federal service. Political reality dictates that change in the FSLMRS is highly unlikely. However, there are nonstatutory ways of improving labor relations. If making the new DHS work properly were to require more cooperative employee involvement, partnership is a vehicle by which to make this happen. Partnership need not be a government-wide proposition. Nor does it need to be crafted precisely as it was in E.O. 12871. Partnership, indeed, would be fully consistent with the "sense of Congress" expressed in the final version of the Homeland Security Act of 2002:

- (A) it is extremely important that employees of the Department be allowed to participate in a meaningful way in the creation of any human resources management system affecting them;
- (B) such employees have the most direct knowledge of the demands of their jobs and have a direct interest in ensuring that their human resources management system is conducive to achieving optimal operational efficiencies;
- (C) the 21<sup>st</sup> century human resources management system envisioned for the Department should be one that benefits from the input of its employees; and
- (D) this collaborative effort with help secure our homeland.

The debate over DHS certainly pitted competing philosophies directly against each other. The statutory language, however, of DHS just as certainly permits partnership if the political will is present.<sup>23</sup> If recent past is prologue, that will is not likely to show itself. But events have a way of making the unexpected necessary.

## NOTES

1. OPM solicited agency involvement, which was strictly voluntary. Agencies paid a contractual fee to participate. OPM agreed not to identify participating agencies. To fulfill this agreement, I am precluded from identifying aspects of the agency and its partnerships that might reveal its identity. This limits the detail I can provide in specifying agency accomplishments and impacts.
2. We requested that each agency and each participating partnership site provide information on performance indicators, productivity, and employment trends over the 1992-2000 period. We also requested information on partnership agreements/charters; labor-management contracts; unfair labor practices filed; impasses filed; grievances and grievance arbitrations; partnership council meeting minutes; reports filed by partnership councils; and any relevant testimonials, statements, documents, etc., describing partnership council activities and accomplishments. The availability of data varied widely across partnership sites. For the most part, hard measures of performance, productivity, and labor-management disputes were unavailable.
3. Under E.O. 19088, the procedures used to achieve union recognition were relatively relaxed. Recognition could be granted if the employee organization “has been designated or selected by a majority of the employees of such units as the representatives of such employees in such unit.”
4. In 1970, unions represented 625,730 employees in the former U.S. Post Office, or 87 percent of the postal workforce.
5. In the late 1960s, PATCO launched a nationwide slowdown called “Operation Air Safety.”
6. The GAO interviewed union, agency, and neutral experts on federal sector labor-management relations. It also surveyed agency and union representatives.
7. The AFGE, NFFE, and NTEU are the three largest representatives of federal employees. Together, they represented 960,977 employees in the federal service in 1992, or 76 percent of the recognized workforce. At the same time, it is important to realize that there are numerous other unions which represent federal employees. In 1992, there were a total of 93 labor organizations which were exclusively recognized in the federal service. For instance, the National Association of Government Employees represented 66,302 federal workers, while the Machinists represented 26,493.
8. The NPR specifically recommended eliminating 252,000 positions, which amounted to a 12 percent reduction in civilian federal employment over five years. Actual employment fell from 2,175,715 to 1,755,689 or by 19.3 percent. Much of this reduction occurred in the Department of Defense (DOD). DOD civilian employment fell from 879,900 to 676,300 between 1994 and 2000.

9. In their report (AFGE, NTEU, and NFFE, 1993:5), the unions noted that the FSLMRS “must also be changed to provide for enhanced union security.” To address this problem, they (1993:36) recommended that FSLMRS “prohibitions on union security... be replaced with provisions for ‘service’ or ‘fair share’ fee systems.” However, the nascent NPC was not able to reach an agreement on a union-security proposal to recommend to Congress.
10. As an illustration of the controversial nature of partnership when construed as a co-management, the former general counsel of the FLRA, Joe Swerdzewski, stated that “Co-management involves joint decision-making, which is inconsistent with the role of the union as representative of employees” (Swerdzewski 1999:6). Unions agreed that they did not want to become co-managers, but they disagreed with this broad interpretation. An internal union memorandum stated that “Obviously, it is not our intention to be so-called ‘co-managers’... [However] I believe the GC’s blunt statement that ‘...joint decision-making... is inconsistent with the role of the union...’ is harmful to our attempt to make partnerships more effective, employees more empowered, and the union more influential.”
11. No doubt, many agency directors and managers would not have entered into partnership if given the choice. During several site visits, agency managers commented that they had partnership councils because they were under a mandate. In our partnership-council-participant survey, we asked the extent to which they agreed with the statement that “If the Executive Order (12871) establishing partnerships were to end, so would your partnership council.” Fifty-one percent disagreed; 26.9 percent agreed; 11.2 percent neither agreed nor disagreed; 10.9 percent didn’t know.
12. In its December 2000 report to the president, the OPM noted that “no other section of the Executive Order has yielded such mixed results nor stimulated more controversy.”
13. The NPC presented three options on the scope of bargaining and four on the matter of union security.
14. In an update on the status of partnerships, OPM reported that 810,260 (or 67 percent) of the 1,213,705 bargaining unit employees were presented by partnership councils. However, only 34 percent of the 2,510 bargaining units actually had councils.
15. We asked each agency to pick councils that varied considerably in performance, from the high-to-low ends of the continuum. Agency management and union representatives jointly decided which sites to choose. In a few instances, site selection proved a controversial issue. The number of sites break down as follows by agency: agency 1: 5; agency 2: 6; agency 3: 7; agency 4: 17; agency 5: 6; agency 6: 6; agency 7: 6; and agency 8: 1.
16. In a nutshell, the pre-decisional issue boiled down to when a union was to be involved in managerial decision-making. We encountered one agency-wide partnership that had failed to resolve this issue after four years of discussion. In a memorandum to regional directors issued by the former general counsel of the FLRA, Joe Swerdzewski, on July 15,

1997, “pre-decisional involvement is a term which represents those activities where employees through their elected exclusive representative are afforded by agency management the opportunity to shape decisions in the workplace which impact in the work the employees perform. In my view, pre-decisional involvement is the cornerstone of Executive Order 12871...”

17. Although unions represent about 60 percent of the federal workforce, their actual membership is closer to one-third of the workforce.
18. In passing the Treasury, Postal Service, and General Government Appropriations bill for FY 1998, the Congress required that OPM conduct a study on the costs of official time. OPM provided the House Committee on Appropriations a report on ***Official Time and Services Used by Unions Representing Federal Employees*** in November 1998. It found that, over a six-month period, 23,965 federal employees used official time. The cost in compensation was \$48,110,284. The cost of relevant office space, equipment, and telephone usage was \$8,782,769.
19. For some agencies, identifying customers is a difficult proposition, which obviously complicates measuring satisfaction. For each agency, employee productivity is difficult to measure for two reasons: (1) the sheer multiplicity of jobs each agency maintains; and (2) the conceptually amorphous nature of some services provided.
20. The OPM report is based on agencies’ self-assessments.
21. The number of recognized federal employees dropped from 1,250,777 to 1,043,479, or 16.5 percent, between 1991 and 2001.
22. Admiral J.M. Loy, the under secretary of transportation for security, issued a memo on January 8, 2003, stating his determination “that individuals carrying out the security screening function..., in light of their critical national security responsibilities, shall not, as a term or condition of their employment, be entitled to engage in collective bargaining or be represented for the purpose of engaging in such bargaining by any representative or organization.” In a statement accompanying the memo, Admiral Loy stated that “mandatory collective bargaining is not compatible with the flexibility required to wage the war against terrorism.”
23. Federal-employee unions have been aggressively pursuing a public relations campaign to pressure Secretary Ridge to maintain existing bargaining recognitions and collaborate with unions. The AFGE has created a web site (<http://www.DHSworkers.org>) devoted to DHS matters. On this site, it informs its members of the following about ***Union Recognition After Transfer***: “There have been multiple rumors that the existing union recognitions will be cancelled upon the March 1, 2003, transfers of functions. Governor Ridge has repeatedly and emphatically denied any intent to do this. He has said again and again that existing union recognitions would continue intact. Either Governor Ridge is lying or the management officials spreading these rumors are lying. We believe Governor Ridge.”

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**Table 1. Theoretical Perspectives on Partnership and Reinvention**

<b>Perspective</b>	<b>Thesis</b>	<b>Selected Works</b>
Union Discipline and Industrial Jurisprudence	Partnership would extend the discipline and rationalization of managerial practices. It would also expand the venue for the orderly resolution of disagreements and grievances.	Slichter 1941; Slichter, Healy and Livernash 1960; Chamberlain and Kuhn 1986.
Exit-Voice	Partnerships would expand the voice of employees over workplace conditions and organizational strategy. This expanded voice would reduce incentives to disengage, be discontent, or be resistant to change.	Freeman and Medoff 1979; 1984.
Social Capital and Networks	Partnerships would widen the networks of social relations between managers and employees and, importantly, among managers across levels and among union leaders and rank-and-file employees. Among the potential benefits of social capital, involving information sharing, is increased commitment to superordinate goals like reinvention.	Adler and Kwon 2002; Pennings, Lee, and Van Witteloostuinj 1998; Pearce and David 1983.
Communications Networks	Partnerships would increase the meaningful flow of information essential to providing the knowledge necessary to make effective change. The vertical and horizontal flow of information would be expanded.	Aoki 1988; 1990; Rubinstein 2000.
Strategic Choice	Partnerships reflect a deliberate strategic choice made by management and labor to cooperate to improve the performance of organizations. This cooperative spirit would extend from the board room to the work site.	Kochan, Katz, and McKersie 1986.

Negotiations	Partnerships represent a profound shift in the mindset compared to collective bargaining (in many settings). A mutual-gains, integrative bargaining mindset supplants adversarialism and zero-sum orientations. Parties explore, creatively, ways to expand the pie.	Bazerman, Curhan, Moore, and Valley 2000; Bazerman and Neale 1992; Thompson 1998; Kochan and Osterman 1994.
Employee Involvement	Partnerships broaden the involvement of employees and unions, encouraging them to share their talents, enriching their work experience, and vesting them more directly in organizational performance and success.	Levine 1995; Freeman and Kleiner 2000; Doucouliagos 1995; Pil and Rubinstein 1998.

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**Table 2. Key Provisions of E.O. 12871  
Labor-Management Partnership  
October 1, 1993**

<b>Dimension</b>	<b>Provision</b>
<b>Purpose</b>	To establish a new form of labor-management relations throughout the executive branch to promote the principles and recommendations of the National Performance Review.
<b>NPC Composition</b>	11-members; OPM, OMB, DOL, FMCS, FLRA, AFGE, NFFE, NTEU represented.
<b>NPC Duties</b>	<ul style="list-style-type: none"> <li>• Advise president on executive-branch labor-management issues</li> <li>• Support creation and promotion of labor-management partnerships</li> <li>• Propose to president, by January 1994, statutory changes necessary to achieve the objectives of the order</li> <li>• Collect and disseminate information about partnerships</li> <li>• Work with the President's Management Council toward reform consistent with the NPR's recommendations</li> </ul>
<b>Agency and Department Heads</b>	Mandated to: create labor-management committees or councils at appropriate levels; involve employees and their union representatives as full partners with management representatives to identify problems and craft solutions to better serve the agency's customers and mission; provide systematic training of appropriate agency employees in consensual methods of dispute resolution; evaluate progress and improvements in organizational performance resulting from labor-management partnerships.
<b>Expanded Scope of Bargaining</b>	Mandated agency and department heads to negotiate over subjects set forth in 5 U.S.C. 7106(b)(1) and instruct subordinate officials to do the same. The (b)(1) section of the FSLMRS allows an agency, at its election, to negotiate on the numbers, types, and grades of employees or positions assigned to any organizational subdivision, work project, or tour of duty, or on the technology, methods, and means of performing work.

**Table 3. Selected Agency Partnership Agreements**

<p><b>Agency 1 Partnership Agreement.</b> Partnering will be the fundamental strategy for coordinating and integrating agency business activities. It will transform the way the agency interacts with customers, with organizations and groups representing customers, with the agency's employees and managers, and with the union. Partnering will become a mission-critical competency and a key enabler of continuous performance improvement for all agency organizational units and all levels of the agency workforce.</p>
<p><b>Agency 2 Partnership Agreement.</b> In accordance with Presidential Executive Order 12871, the Director of the agency and the labor unions exclusively representing employees of the agency have formed a Labor-Management Partnership Council (LMPC). This Council has been in existence since October 1993. The purpose of the LMPC is as follows:</p> <ol style="list-style-type: none"> <li>a. To help renew and improve the agency to ensure that the agency delivers the highest quality services to the American people;</li> <li>b. To identify problems and craft solutions to better serve agency's customers and mission; and</li> <li>c. To improve labor-management cooperation by forming a partnership supportive of (a.) and (b.) above.</li> </ol>
<p><b>Agency 3 Partnership Agreement.</b> The purpose of the agency's National Partnership Council (NPC) is to design, implement and maintain within the agency a cooperative, constructive working relationship between labor and management to achieve common goals. To that end, the partners will make the investment necessary to establish an atmosphere of mutual respect and trust in accomplishing the agency's mission. This includes open and honest communication with a view toward recognizing and addressing the interests of the partners. This relationship must be established and vigorously maintained nationally and at local field facilities....</p> <p>In order to achieve this purpose, the partners agree to the following objectives:</p> <ol style="list-style-type: none"> <li>1. Improve the day-to-day operations of the agency....</li> <li>7. Address agency policies and procedures which affect employees and customer services.</li> </ol>
<p><b>Agency 4 Partnership Agreement.</b> The purpose of this council is to increase the efficiency and productivity of agency employees by a cooperative effort between labor representatives and management officials. Management and the union will work towards common goals. Resolution will be based on consensus and members agree to openly share information at the earliest pre-decisional stage. The Council and working groups will work towards:</p> <ol style="list-style-type: none"> <li>1. Openly sharing information and feedback from both labor and management in order to improve the decision-making process.</li> <li>2. Resolving, by consensus, issues of concern to labor and management.</li> <li>3. Setting a positive partnership example and providing guidance and support to all levels of agency.</li> <li>4. Encouraging resolution of issues at the lowest levels using the problem solving model.</li> </ol>
<p><b>Agency 5 Partnership Agreement.</b> In the spirit of Executive Order 12871 on Labor Management Partnerships, the agency and the union enter into Agreement for the purpose of building and maintaining a cooperative working relationship to better accomplish the agency's mission. Toward that end, the Parties are committed to work together over the long term, recognizing their respective roles as partners at all levels of the agency within the framework of:</p> <ul style="list-style-type: none"> <li>Mutual respect</li> <li>Acceptance</li> <li>Shared Responsibility and Accountability</li> <li>Pre-decisional Communication and Involvement</li> <li>Joint Training</li> <li>Interest Based Problem Solving</li> </ul>

**Table 4. Demographic Characteristics of  
Survey Sample  
(N=356)**

<b>Characteristic</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Union/Management Rep</b>		
<b>Union</b>	<b>141</b>	<b>40.5%</b>
<b>Management</b>	<b>200</b>	<b>57.5%</b>
<b>Other</b>	<b>7</b>	<b>2.0%</b>
<b>Gender</b>		
<b>Male</b>	<b>199</b>	<b>58.5%</b>
<b>Female</b>	<b>141</b>	<b>41.5%</b>
<b>Race</b>		
<b>White</b>	<b>274</b>	<b>81.8%</b>
<b>African-American</b>	<b>33</b>	<b>9.9%</b>
<b>Other</b>	<b>28</b>	<b>8.4%</b>
<b>Pay Classification</b>		
<b>General Schedule</b>	<b>276</b>	<b>80.2%</b>
<b>Wage Grade</b>	<b>10</b>	<b>2.9%</b>
<b>Other</b>	<b>58</b>	<b>16.9%</b>
<b>Job Category</b>		
<b>Professional</b>	<b>111</b>	<b>35.2%</b>
<b>Administration</b>	<b>112</b>	<b>35.6%</b>
<b>Technician</b>	<b>41</b>	<b>13.0%</b>
<b>Clerical</b>	<b>6</b>	<b>1.9%</b>
<b>Wage Grade</b>	<b>10</b>	<b>3.2%</b>
<b>Other</b>	<b>35</b>	<b>11.1%</b>
<b>Age</b>	<b>0 = 49.28 years</b>	
<b>Tenure</b>	<b>0 = 19.82 years</b>	

**Table 5. Selected Partnership Activities****(n=356)**

<b>Item</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Length of Partnership Service</b>	< 1 year	61	17.6 %
	1-2 years	113	32.7 %
	3-4 years	92	26.6 %
	5-7 years	67	19.4 %
	>7 years	13	3.8 %
<b>Frequency of Partnership Meetings Per Year</b>	< 1 time	2	.6 %
	1-2 times	4	1.2 %
	3-4 times	72	20.7 %
	5-6 times	56	16.1 %
	7-8 times	35	10.1 %
	9-10 times	50	14.4 %
	>10 times	128	36.9 %
<b>Hours Spent Per Week on Formal Activities</b>	< 1 hour	132	38.2 %
	1-5 hours	163	47.1 %
	6-10 hours	27	7.8 %
	11-15 hours	10	2.9 %
	16-20 hours	5	1.4 %
	21-25 hours	2	.6 %
	26-30 hours	5	1.4 %
	31-35 hours	-	- %
	36-40 hours	2	.6 %
<b>Hours Spent Per Week on Informal Activities</b>	<1 hour	76	21.9 %
	1-5 hours	158	45.5 %
	6-10 hours	49	14.1 %
	11-15 hours	28	8.1 %
	16-20 hours	15	4.3 %
	21-25 hours	7	2.0 %
	26-30 hours	8	2.3 %
	31-35 hours	-	- %
	36-40 hours	6	1.7 %

**Table 6. Regression Results  
of Labor Relations Climate**

**(Dependent Variable = Labor Relations Climate Index)**

<b><u>Independent Variables</u></b>	<b><u>Coefficients (Standard Errors)</u></b>
<b>Union/Management Representative (1 = Union)</b>	<b>.125 (.093)</b>
<b>Gender (1 = Female)</b>	<b>-.089 (.072)</b>
<b>Race (1 = White)</b>	<b>-.051 (.097)</b>
<b>Occupation (1 = Professional)</b>	<b>-.011 (.074)</b>
<b>Tenure</b>	<b>.006 (.004)</b>
<b>Organizational Climate</b>	<b>.480*** (.057)</b>
<b>Communications Style</b>	<b>.239*** (.045)</b>
<b>Decision-Making Style</b>	<b>.160** (.059)</b>
<hr/>	
<b>N = 201</b>	
<b>R<sup>2</sup> = .643</b>	
<hr/>	
<b>* (p &lt; .10)</b>	
<b>** (p &lt; .05)</b>	
<b>*** (p &lt; .001)</b>	

**Table 7. Regression Results  
of Partnership Impact**

(Dependent Variable = Impact Index)

<u>Independent Variables</u>	<u>Coefficients (Standard Errors)</u>
<b>Union/Management Representative</b> (1 = Union)	<b>.264*</b> (.134)
<b>Gender</b> (1 = Female)	<b>-.139</b> (.106)
<b>Race</b> (1 = White)	<b>.117</b> (.143)
<b>Occupation</b> (1 = Professional)	<b>-.097</b> (.105)
<b>Tenure</b>	<b>.006</b> (.006)
<b>Organizational Climate</b>	<b>-.211**</b> (.094)
<b>Labor Relations Climate</b>	<b>1.078***</b> (.087)
<b>N = 173</b>	
<b>R<sup>2</sup> = .590</b>	

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\* (p < .10)

\*\* (p < .05)

\*\*\* (p < .001)

**Table 8. Two-Stage Least Square  
Estimate of Partnership Impact**

**(Dependent Variable = Impact Index)**

<b><u>Independent Variables</u></b>	<b><u>Coefficients (Standard Errors)</u></b>
<b>Union/Management Representative (1 = Union)</b>	.106 (.176)
<b>Gender (1 = Federal)</b>	-.096 (.137)
<b>Race (1 = White)</b>	.266 (.186)
<b>Occupation (1 = Professional)</b>	.053 (.137)
<b>Tenure</b>	.005 (.008)
<b>Organizational Climate Index</b>	-.813*** (.162)
<b>Labor Relations Climate</b>	1.957*** (.192)

N = 162

R<sup>2</sup> = .49

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\*\*\* p < .001 (two-tailed test)

**Table 9. Selected Partnership Accomplishments and Impacts**

<b>(1) Masters, 2001 (Archival and Interview)</b>	<b>(2) Office of Personnel Management Report to President, 2000 (Agency Submissions)</b>	<b>(3) Other Sources</b>
<ul style="list-style-type: none"> <li>• <b>Policy Initiation and Innovation</b> <ul style="list-style-type: none"> <li>✓ Quality of work life initiatives on work schedules, workforce planning and utilization, workplace security, workplace violence, parking and space utilization</li> <li>✓ Agency modernization and reorganization</li> <li>✓ Alternative dispute resolution</li> <li>✓ Customer satisfaction and service</li> <li>✓ Program delivery efficiency</li> </ul> </li> <li>• <b>Organizational Redesign</b> <ul style="list-style-type: none"> <li>✓ Implementing restructuring</li> <li>✓ Consolidating sites and functions</li> <li>✓ Downsizing and relocating</li> <li>✓ Introducing new technologies</li> </ul> </li> <li>• <b>Personnel Policy and Program Modifications</b> <ul style="list-style-type: none"> <li>✓ Systematizing awards and recognitions</li> <li>✓ Creating promotional and other incentives</li> <li>✓ Tightening and systematizing travel, leave, and other allowances</li> <li>✓ Promoting technical and nontechnical training opportunities</li> </ul> </li> <li>• <b>Labor-Management Relations</b> <ul style="list-style-type: none"> <li>✓ Grievance prevention</li> <li>✓ Expedited bargaining</li> <li>✓ Improved communications</li> <li>✓ Reduced impasse, negotiability, and unfair labor practice disputes</li> <li>✓ Facilitated teams building and training</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Customer Service</b> <ul style="list-style-type: none"> <li>✓ Ten agencies reported that labor-management partnership had directly and significantly improved customer service throughout most of the agency. Includes Defense, Education, Interior, Labor, Social Security Administration, Treasury <ul style="list-style-type: none"> <li>➢ Social Security Administration (SSA), through partnership, revised its customer service toll free line business practices to produce dramatic gains in customer satisfaction, receiving a customer satisfaction rating of 88 percent in 1999.</li> </ul> </li> </ul> </li> <li>• <b>Quality</b> <ul style="list-style-type: none"> <li>✓ Ten agencies reported substantial improvements in quality as a result of partnership. They are: Interior, Labor, SSA, Treasury <ul style="list-style-type: none"> <li>➢ Patient care improved at the James A. Haley Veterans' Hospital in Tampa, FL. Through its partnership it streamlined procedures to reduce the delivery time for critical medication from 92 minutes to 20 minutes.</li> </ul> </li> </ul> </li> <li>• <b>Productivity and Efficiency</b> <ul style="list-style-type: none"> <li>✓ Sixteen agencies reported substantial improvements in productivity and efficiency as a result of partnership. The agencies are: Defense, Education, Interior, Labor, SSA, Treasury, Veterans Affairs <ul style="list-style-type: none"> <li>➢ Operation Brass Ring, a joint effort of the Customs Service and the NTEU to increase the seizure of illegal drugs, resulted in a 42 percent increase in the amount of illegal</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>1999 John N. Sturdivant National Partnership Awardee</b> Defense Contract Management Command and AFGE Local 3973 Raytheon Tucson, Tucson, Arizona <ul style="list-style-type: none"> <li>✓ Improved customer service ratings</li> <li>✓ No grievances or unfair labor practices</li> <li>✓ \$900,000 cost savings from avoiding disputes</li> </ul> </li> <li>• <b>1999 John N. Sturdivant National Partnership Awardee</b> U.S. Mint and AFGE Mint Council Washington, DC <ul style="list-style-type: none"> <li>✓ Joint formulation of a bureau-wide strategy</li> <li>✓ Improved customer service</li> <li>✓ Mint's Chief Financial Officer estimates increase (\$166 million) was attributable to partnership put in place</li> </ul> </li> <li>• <b>1999 John N. Sturdivant National Partnership Honorable Mention</b> Marine Corp. Base Camp Lejeune, North Carolina and AFGE Local 2065 <ul style="list-style-type: none"> <li>✓ Reduced unfair labor practice claims from \$144,000 per year</li> <li>✓ Reduced number of formal grievances and grievances settled, saving at least \$350,000 per year.</li> <li>✓ Reduced discrimination claims, saving \$4 million.</li> </ul> </li> <li>• <b>1999 John N. Sturdivant National Partnership Honorable Mention</b> U.S. Forest Service and NFFE <ul style="list-style-type: none"> <li>✓ 20 percent workforce reduction with no labor-management litigation</li> <li>✓ Expedited completion of collective-bargaining agreement, saving \$65,000.</li> <li>✓ Resolved 150 to 170 issues addressed, saving \$592,000.</li> </ul> </li> </ul>

<ul style="list-style-type: none"> <li>▪ <b>(Confidential Agency Report)</b> Specific Agency/Union <ul style="list-style-type: none"> <li>✓ The incremental cost of partnership estimated to be \$12,230,000. The dollar benefits during the same period are estimated to be \$14,688,000. Net value: \$2,458,000.</li> </ul> </li> <li>▪ <b>(Confidential Agency Report)</b> Specific Agency/Union <ul style="list-style-type: none"> <li>✓ Increased empowerment to improve employee satisfaction.</li> </ul> </li> <li>▪ <b>(Confidential Agency Report)</b> Specific Agency/Union <ul style="list-style-type: none"> <li>✓ Developed flat-rate lodging program; skills-building workshop; labor-management program; voluntary employee referral program; workforce diversity program; cash awards program; alternative dispute resolution program.</li> </ul> </li> <li>▪ <b>(Confidential Agency Report)</b> Specific Agency/Union <ul style="list-style-type: none"> <li>✓ Cost savings, cost avoidance, increased customer service as a result of partnership</li> <li>✓ “We believe that our partnership efforts have paid dividends in the form of better morale, improved customer service, and a more collegial labor-management climate. We continue to strive for improvement in quality customer service through partnership in meeting current and future union requirements.”</li> </ul> </li> </ul>	<p style="text-align: center;">narcotics seized</p> <ul style="list-style-type: none"> <li>• <b>Cost Savings and Cost Avoidance</b> <ul style="list-style-type: none"> <li>✓ Twenty-one agencies reported substantial cost savings and cost avoidance from partnership. They include Commerce, Defense, Education, Energy, FEMA, HHS, Interior, Justice, SSA, and Treasury <ul style="list-style-type: none"> <li>➢ Almost half of the reports that claimed such savings included real dollar figures. Most of the reported savings were attributed to better labor-management relations and corresponding reduction in grievances and litigation, especially unfair labor practice claims.</li> <li>➢ The Defense department reported a drop in unfair labor practice charges from 3,691 in fiscal year 1993 to 2,231 in fiscal year 1999.</li> </ul> </li> </ul> </li> <li>▪ <b>Quality of Worklife</b> <ul style="list-style-type: none"> <li>✓ Sixteen agencies reported substantial improvements in quality of worklife initiatives as a result of partnership. They include Commerce, Education, HHS, Interior, Labor, SSA, and Treasury. <ul style="list-style-type: none"> <li>➢ The most common achievements in this category include transit subsidies, alternative work schedules, telecommuting, and childcare.</li> </ul> </li> </ul> </li> <li>▪ <b>Labor-Management Relations</b> <ul style="list-style-type: none"> <li>✓ Sixteen agencies reported substantial improvements in labor-management relations as a result of partnership. They include Commerce, Defense, Education, HHS, SSA, Treasury, Veterans Affairs <ul style="list-style-type: none"> <li>➢ The rise of partnership has had the greatest impact on the labor-management relations climate.</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Social Security Administration (SSA) Evaluation of Partnership</b> SSA and AFGE <ul style="list-style-type: none"> <li>✓ Partnership inventory reveals that 37 percent of activities dealt with improving customer service and work processes.</li> <li>✓ Partnership efforts throughout SSA have greatly impacted the workplace.</li> <li>✓ Partnership activities have helped the SSA save money through extensive re-missioning of SSA employees.</li> </ul> </li> <li>▪ <b>AFGE, Government That Works: AFGE Labor Management Partnerships Making the Difference</b> San Antonio Air Force Logistics Center and AFGE <ul style="list-style-type: none"> <li>✓ Developed alternative dispute resolution and reduced formal grievances by 95 percent and unfair labor practice files by 90 percent.</li> <li>✓ Reduced hourly labor rate from \$62 to \$57.</li> </ul> </li> <li>▪ <b>AFGE, Government That Works: AFGE Labor-Management Partnerships Making the Difference September 1996</b> Army Garrison Fort McCoy, WI and AFGE <ul style="list-style-type: none"> <li>✓ Reduced number of formal grievances to only 12 compared to hundreds.</li> <li>✓ Used interest-based bargaining to reduce negotiations time.</li> </ul> </li> </ul>
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**Table 10.**  
**FLRA Government-wide Labor-Management  
 Dispute Indicators,  
 1993-2000**

<u>Indicator</u>	<u>Year</u>							
	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Unfair Labor Practice Charges Filed with the Office of the General Counsel	8,674	7,446	6,252	6,263	5,323	5,702	5,686	5,638
Bargaining Impasses Filed with Federal Services Impasses Panel	247	278	170	163	148	175	169	167
Negotiability Appeals to FLRA	95	43	66	79	58	62	56	65
Arbitration Appeals to FLRA	180	161	104	117	133	108	125	140

Source: Federal Labor Relations Authority.

**Table 11. Union Recognition in the Federal Service,  
1991-2001**

<b>Year</b>	<b>Aggregated</b>		<b>AFGE</b>	<b>NFFE</b>	<b>NTEU</b>
	<b># Employees</b>	<b>% Workforce</b>	<b># Employees</b>	<b># Employees</b>	<b># Employees</b>
<b>1991</b>	<b>1,250,777</b>	<b>60%</b>	<b>642,315</b>	<b>146,113</b>	<b>151,736</b>
<b>1992</b>	<b>1,262,859</b>	<b>59%</b>	<b>665,328</b>	<b>146,767</b>	<b>148,882</b>
<b>1997</b>	<b>1,098,072</b>	<b>59%</b>	<b>596,206</b>	<b>123,660</b>	<b>136,577</b>
<b>1999</b>	<b>1,050,423</b>	<b>60%</b>	<b>578,048</b>	<b>104,472</b>	<b>135,906</b>
<b>2001</b>	<b>1,043,479</b>	<b>61%</b>	<b>582,753</b>	<b>68,539</b>	<b>139,302</b>

Sources: U.S. OPM (2000; 2002).

**Table 12. Major Federal-Employee Union  
Recognition, Membership, and Free-Riding Rate,  
1995-2001**

<u>Year</u>	<u>Union</u>								
	<u>AFGE</u>			<u>NFFE</u>			<u>NTEU</u>		
<u>Recognition</u>	<u>Membership</u>	<u>Free Riding</u>	<u>Recognition</u>	<u>Membership</u>	<u>Free Riding</u>	<u>Recognition</u>	<u>Membership</u>	<u>Free Riding</u>	
1995 <sup>1</sup>	630,766	177,000	(.72)	135,213	19,890	(.85)	142,729	65,187	(.54)
1997	596,206	180,000	(.70)	123,660	16,500	(.87)	136,577	70,641	(.48)
1999	578,042	191,171	(.67)	104,472	13,304	(.87)	135,906	71,010	(.48)
2001	582,753	198,453	(.66)	68,539	7,528	(.89)	139,302	74,306	(.47)

Sources: U.S. OPM (2000; 2002); union LM-2 financial disclosure reports filed with the U.S. Department of Labor.

Note: (1) 1995 recognition data are interpolated from 1992 and 1997 data. Unfortunately, OPM did not collect recognition data in the years between 1992 and 1997.