

Managing People and Labour Relations in Municipal Government

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Introduction

Although there has been a lot of research on the links between human resource management and workplace performance, much of the work is focused on the private sector. Moreover, there is less research addressing labour relations practices in municipal government. In discussions with government officials and in presentations to individuals employed in government there has been a particularly strong interest in the management of human resources and labour relations. Among the questions that frequently arise are: (1) what are other municipal government workplaces doing to manage human resources? and (2) what is happening in terms of labour relations in local government workplaces? The current article is aimed at addressing these questions from a practitioner perspective.

The results of this study are based on questionnaire responses from more than 250 municipal government workplaces across Canada. The survey was conducted in 2009. Respondents varied somewhat in size; 45% of the workplaces had 25 or fewer employees, 33% had 26 to 100 employees, and 22% had more than 100 employees. About 57% of the workplaces were unionized and 58% reported that their overhead costs were lower when compared to similar municipalities.

Managing Human Resources

Strategy Issues

One set of questions examined aspects of strategic management and human resources. For these items, participants were asked to indicate their level of agreement with each statement using a six-point scale where 1=strong disagreement and 6=strong agreement with the statement.

Respondents were asked the question whether the municipality has a clear strategic mission that is well understood by employees. As shown in Figure 1, slightly more than half of the respondents expressed some level of disagreement with the statement and only about 3% strongly agreed. The results suggest that a number of municipalities do not have a clear strategic mission that employees understand. This finding has also come through in discussions with municipal officials.

A second question (see Figure 2) asked whether the municipality aligns its human resource strategy with the future mission of the municipality. Just over 50% of participants indicated some level of agreement with this statement (score of 4 or higher). The strategic human resource management literature supports the view that the human resource strategy should “fit” with the organizational strategy (see, for example, Andrews, Boyne, Law and Walker, 2009).

Finally, a third question was based on participant responses to the statement that the municipality supports the position that its people are its most important asset. The overall pattern of responses (see Figure 3) indicate that about three-quarters of respondents agreed with this statement (score of 4 or greater) and just over 15% were in strong agreement (score of 6).

Figure 1: Clear Strategic Mission

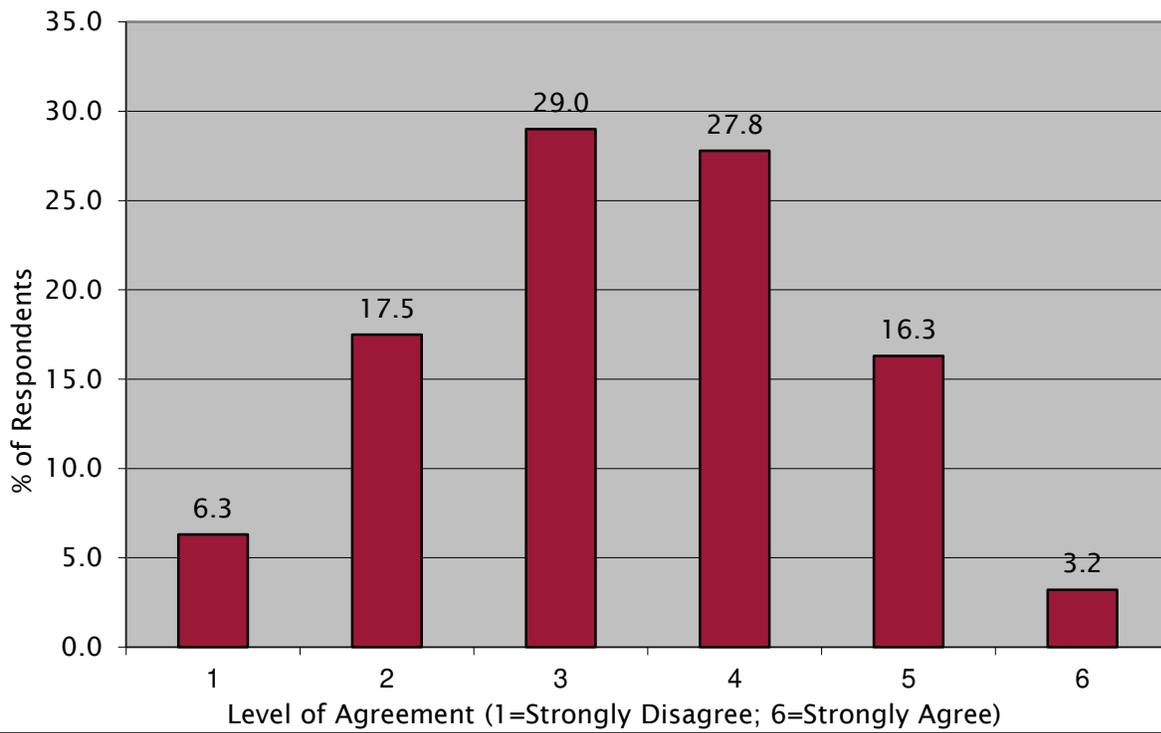
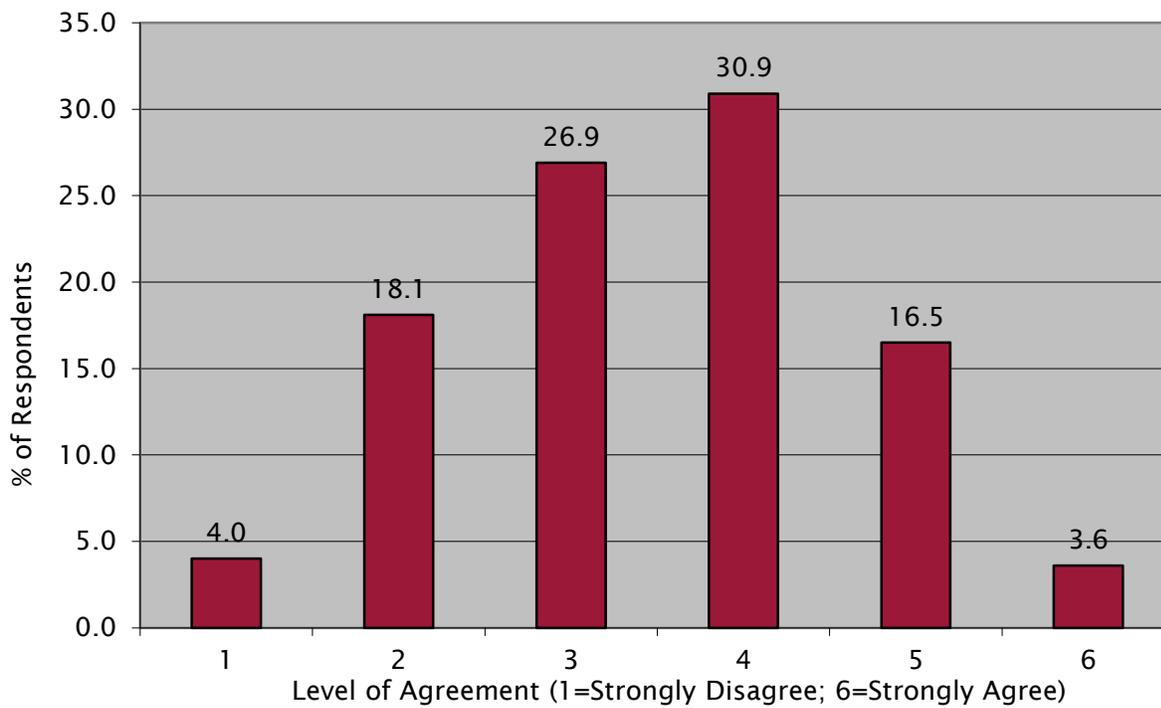
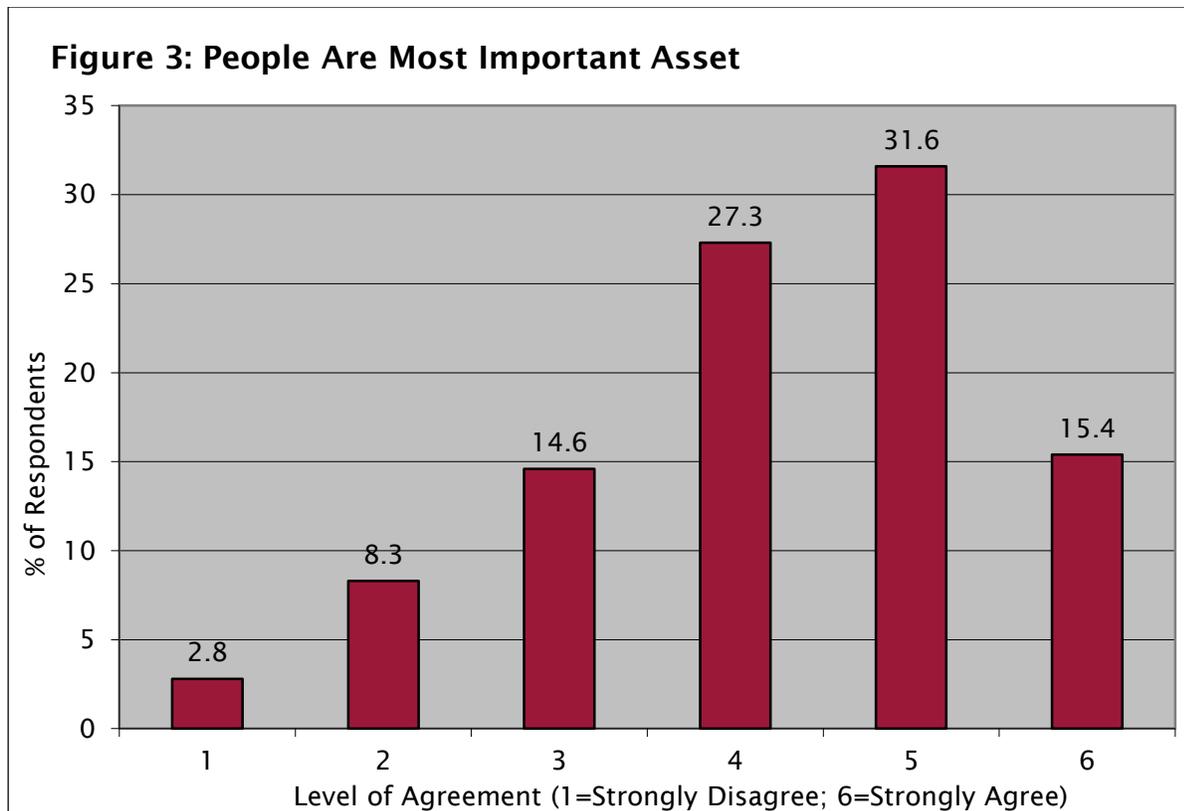


Figure 2: Aligning HR Strategy





High Involvement HRM Strategy

A set of questions, adapted from Bae and Lawler (2000), measure four components of a high involvement HRM strategy – extensive training, empowerment, highly-selective staffing and performance-based pay (see Table 1). Again, a six-point scale (1=strongly disagree; 6=strongly agree with the statement) was used.

With regard to employee training, three of the scale items are above the scale midpoint of 3.5, with a majority of participants expressing disagreement with the statement that the workplace has a systematically-structured training process. There is modest evidence of employee empowerment with all of the scores falling above the midpoint. The results suggest that municipal employers focus on selective hiring but respondents perceive that organizations tend not to spend a lot of money on the employee selection process (with only 2% of respondents strongly agreeing with the statement as indicated by a score of 6). Not surprisingly, performance-based pay is not prevalent in municipal workplaces (although some policy-makers are calling for more performance-based pay in public sector organizations).

Table 1: High Involvement HRM Strategy

| Extensive Training | Average |
|---|----------------|
| 1. Invests a lot of money on training. | 3.86 |
| 2. Provides employees with a lot of training opportunities. | 4.04 |
| 3. Has a systematically-structured training process. | 3.03 |
| 4. Places a high priority on training. | 4.02 |
| Empowerment | Average |
| 5. Has few status differentials among employees. | 3.71 |
| 6. Involves employees in problem-solving/decision-making. | 4.1 |
| 7. Gives employees an opportunity to use personal initiative. | 4.4 |
| 8. Gives employees enough discretion in doing work. | 4.44 |
| 9. Has developed a climate of cooperation and trust. | 4.33 |
| Highly-selective Staffing | Average |
| 10. Is very selective when hiring new employees. | 4.54 |
| 11. Makes a strong effort to select the right person for the job. | 5.01 |
| 12. Spends a lot of money on the employee selection process. | 3.43 |
| Performance-based Pay | Average |
| 13. Ties pay to performance. | 3.13 |
| 14. Bases employee compensation on merit. | 3.2 |

Initial analyses indicated that municipalities who align their human resource strategy with the future mission of the municipality tend to have higher scores on the high-involvement HRM strategy items. In addition, municipalities with a strategic focus aimed at service quality also had higher high-involvement HRM strategy scores relative to those employers whose primary focus was on controlling costs. Finally, larger workplaces had higher scores on the training and highly-selective staffing measures, and unionization was associated with lower empowerment and performance-based pay scores.

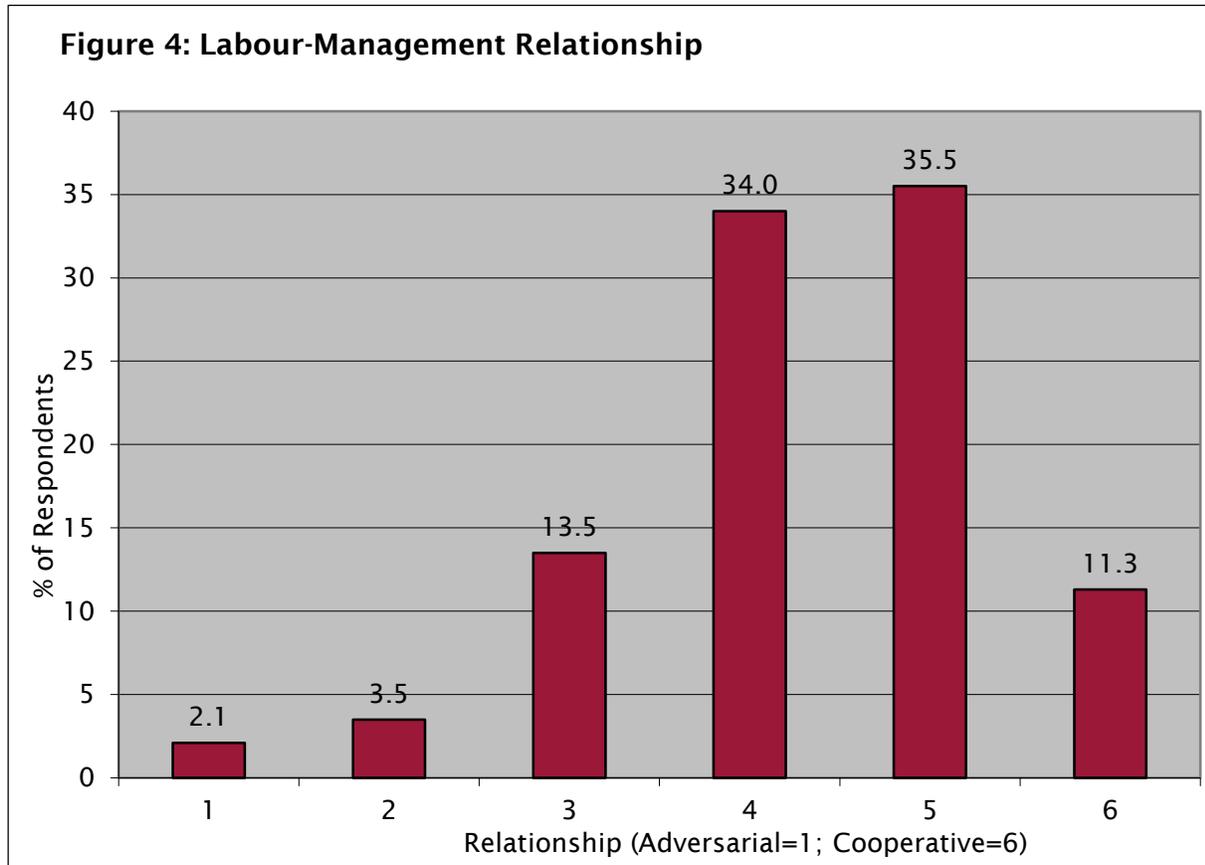
Labour Relations Issues

Participants were asked whether their workplace was unionized. Those indicating that the workplace was unionized (about 57% of the sample) were asked to identify the union representing the largest number of employees and respond to a series of questions about this group of employees.

The Labour-Management Relationship

The issue of labour-management cooperation has attracted the interest of both researchers and practitioners for a number of years. Respondents were asked to describe the nature of the relationship between the employer and union (1= adversarial and 6=cooperative). The average score for this question was 4.31. As shown in Figure 4, less than 20% of participants reported the

relationship as being adversarial (a score of 3 or less) and about 11% perceived the relationship to be highly cooperative (score of 6). My previous research based on responses from union leaders reveals that employers tend to be more likely to perceive the labour-management relationship as cooperative compared to union officials.



In an effort to further understand aspects of the labour-management relationship, another set of questions examined the question of labour-management climate using measures adopted from Dastmalchian, Blyton and Adamson (1991). Each item was measured using a six-point scale (1=strongly disagree; 6=strongly agree) and the results are presented in Table 2. Overall, respondents generally viewed that labour-management climate as fairly positive with all of the average scores falling between 4.23 and 4.72. In another study, I gave the same set of questions to more than 250 union officials and their responses were somewhat lower with the majority of participants disagreeing that grievances are normally settled promptly, the parties make sincere efforts to solve common problems, the parties exchange information freely, and management seeks input from the union before initiating changes.

Table 2: Labour-Management Climate

| Labour-Management Climate Issue | Average |
|--|----------------|
| 1. Grievances are normally settled promptly. | 4.46 |
| 2. Negotiations take place in an atmosphere of good faith. | 4.66 |
| 3. Union and management make sincere efforts to solve common problems. | 4.72 |
| 4. Management seeks input from the union before initiating changes. | 4.26 |
| 5. The parties exchange information freely. | 4.23 |
| 6. Union and management have respect for each other's goals. | 4.28 |
| 7. Employees view the conditions of employment as fair. | 4.51 |

Some unionized workplaces have established joint labour-management committees. For the 10 issues presented below (see Table 3), respondents were asked if there was a joint committee addressing the particular issue. By far the most likely issue to be the subject of a joint labour-management committee was safety. This is not surprising considering the legislative requirement in jurisdictions across the country to have a Joint Occupational Health and Safety committee once the workplace or organization reaches a certain employment threshold. The three other issues most frequently associated with joint participation included problem solving, employee training, and job evaluation.

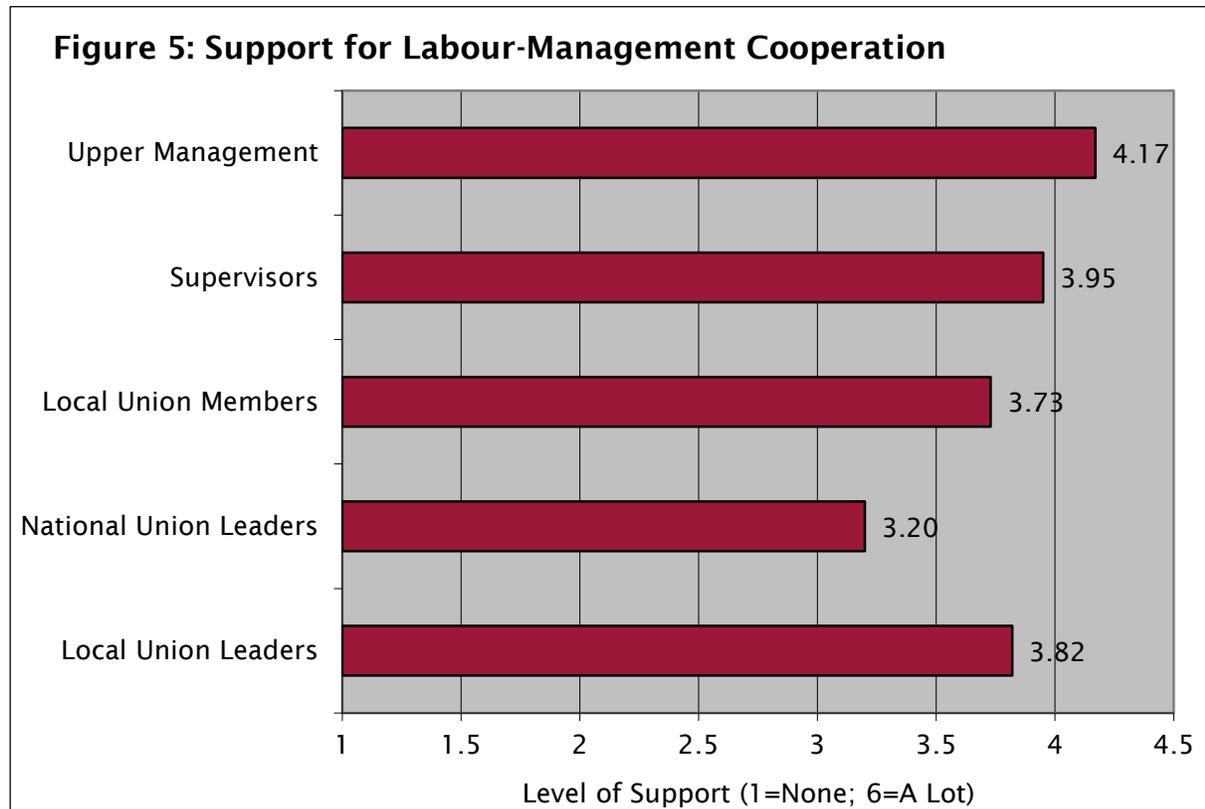
Table 3: Joint Labour-Management Committee Issues

| Joint LMC Issue | % of Respondents |
|-------------------------|-------------------------|
| 1. Safety | 88 |
| 2. Problem Solving | 54.2 |
| 3. Training | 41.7 |
| 4. Job Evaluation | 41 |
| 5. Quality of Work Life | 34 |
| 6. Productivity | 28.5 |
| 7. Technological Change | 22.2 |
| 8. Substance Abuse | 19.5 |
| 9. Work Teams | 18.8 |
| 10. Quality Circles | 8.3 |

Support for Cooperation

When examining labour-management cooperation, one issue that frequently emerges is whether unions or employers are most (or least) likely to support cooperative efforts. Participants were asked to indicate their perceptions of the support for labour-management cooperation programs among employees, union officials and employer representatives (where 1=no support and 6=a lot of

support). As revealed in Figure 5, respondents perceived that upper management had the strongest level of support for cooperation, followed by supervisors. They also believed that the lowest level of support was by national union leaders.



Conflict and Concessions

The survey also asked a number of questions addressing conflict and concession bargaining. Some of the key findings are presented below.

A number of academics and practitioners believe that the interests of the union and employer are, by their very nature, in conflict. Participants were asked whether they agreed with this position (1=strongly disagree and 6=strongly agree). The average score for this question was 2.65 (out of a maximum of 6.0) and only 21% of respondents expressed some level of agreement with the statement. In other words, most of the participants did not perceive that the parties' interests are in conflict.

I was interested in the extent to which the union is involved in making strategic management decisions. Only 15% of the participants agreed that the union was involved in such decisions and not one participant strongly agreed (that is, had a score of 6) with the statement. Unions appear have little involvement in making strategic management decisions and at least some unions prefer it that way.

Are unions and employers engaging in concession bargaining? There was little evidence of unions receiving wage cuts or freezes and only 5% of respondents indicated that the employer had been able to obtain reduced emphasis on seniority. Where concessions had been made, they tended to involve greater flexibility in job assignments and/or job classifications (reported by about one-quarter of participants).

Conclusion

Initial results from a survey of municipal government participants indicated that while some employers are following a high-involvement HRM strategy, others are not as committed to this approach. The finding is not surprising – previous research by Pfeffer (2005) suggests that most employers are not strongly committed to high-involvement HRM. In terms of labour relations, participants generally perceive the labour-management climate as being moderately positive and there is evidence of the adoption of joint labour-management committees to address key issues such as safety.

About the Author

Terry Wagar, Ph.D. is a Professor of Management at Saint Mary's University. His teaching and research focus on industrial relations, human resource management and conflict resolution. He co-authors the textbook *Canadian Human Resource Management: A Strategic Approach* which is currently in the 10th edition. Terry is also a graduate of the Queen's MIR program.

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