

**Thursday, January 13, 2011 - 9:30 am**  
Multnomah Building, Commissioners Board Room 100

**REGULAR MEETING**

**Chair Jeff Cogen convenes the meeting at 10:00 a.m. with Vice-Chair Deborah Kafoury and Commissioners Loretta Smith and Judy Shiprack present and Commissioner Diane McKeel joining telephonically.**

**CONSENT CALENDAR - 9:30 am**

- C-1 BUDGET MODIFICATION - HD-08 Authorizing Three Position Re-classifications Within Various Divisions of the Health Dept. as Determined by the Class/Comp Unit of Central Human Resources
- C-2 Appointment of Patricia Hanson to the Multnomah County CITIZEN INVOLVEMENT COMMITTEE (CIC)

**MAY I HAVE A MOTION ON THE CONSENT CALENDAR?**

**COMMISSIONER \_\_\_\_\_ MOVES  
COMMISSIONER \_\_\_\_\_ SECONDS  
APPROVAL OF THE CONSENT CALENDAR**

**ALL IN FAVOR, VOTE AYE, OPPOSED \_\_\_\_?**

**THE CONSENT CALENDAR IS APPROVED  
OR - THE MOTION FAILS**

**REGULAR AGENDA**

**PUBLIC COMMENT - 9:30 am**

Opportunity for Public Comment on non-agenda matters. Testimony limited to three minutes per person unless otherwise designated by the presiding officer.

**NON-DEPARTMENTAL - 9:30 am**

- R-1 Briefing on Multnomah County Library's 2011 "Everybody Reads" Community Reading Project. Presenter: Vailey Oehlke, Library Director (10 min)

**NON-VOTING ITEM. PRESENTATION & RESPONSE TO BOARD  
QUESTIONS AND DISCUSSION.**

**DISTRICT ATTORNEY – 9:40 am**

R-2 BUDGET MODIFICATION #DA 2011-01 Request to Appropriate \$60,000 in Funding from the City of Portland for the Service Coordination Team. Presenter: Scott Marcy, Business Services Mgr., DA's Office (5 min)

COMMISSIONER \_\_\_\_\_ MOVES  
COMMISSIONER \_\_\_\_\_ SECONDS  
APPROVAL OF R-2

PRESENTATION & RESPONSE TO QUESTIONS  
OPPORTUNITY FOR PUBLIC TESTIMONY  
OPPORTUNITY FOR BOARD COMMENTS

ALL IN FAVOR, VOTE AYE, OPPOSED \_\_\_\_?

THE BUDGET MODIFICATION IS APPROVED  
OR THE MOTION FAILS

**HEALTH DEPARTMENT – 9:45 am**

R-3 NOTICE OF INTENT to Submit an Application for up to \$500,000 to the US Department of Health and Human Services, Bureau of Health Professionals Division of Nursing's *Affordable Care Act – Nurse Education, Practice, Quality and Retention* Grant Competition. Presenters: Nicole Hermanns, Grant Development and Frances Conedera, Nursing Director – Health Dept. (5 min)

COMMISSIONER \_\_\_\_\_ MOVES  
COMMISSIONER \_\_\_\_\_ SECONDS  
APPROVAL OF R-3

EXPLANATION, RESPONSE TO QUESTIONS  
OPPORTUNITY FOR PUBLIC TESTIMONY  
OPPORTUNITY FOR BOARD COMMENTS

ALL IN FAVOR, VOTE AYE, OPPOSED \_\_\_\_?

THE NOTICE OF INTENT IS APPROVED  
OR THE MOTION FAILS

**COUNTY MANAGEMENT – 9:50 am**

R-4 Budget Modification Overall-01 Approving FY 2011 Supplemental Budget, Adding Beginning Working Capital and Increasing Six County Funds by \$7,808,385. Presenter: Julie Neburka, Principal Budget Analyst (10 min)

COMMISSIONER \_\_\_\_\_ MOVES  
COMMISSIONER \_\_\_\_\_ SECONDS  
APPROVAL OF R-4

PRESENTATION & RESPONSE TO QUESTIONS  
OPPORTUNITY FOR PUBLIC TESTIMONY  
OPPORTUNITY FOR BOARD COMMENTS

ALL IN FAVOR, VOTE AYE, OPPOSED \_\_\_\_?

THE BUDGET MODIFICATION IS APPROVED  
OR THE MOTION FAILS

**BOARD COMMENT – 10:00 am**

Do we have any Board comments today?

**ADJOURNMENT**

THERE BEING NO FURTHER BUSINESS, THE MEETING IS  
ADJOURNED.

**Tuesday, January 11, 2011 - 10:00 am**  
**Multnomah Building, Commissioners Board Room 100**

**BOARD BRIEFINGS**

**Chair Jeff Cogen convenes the meeting at 10:00 a.m. with Vice-Chair Deborah Kafoury and Commissioners Loretta Smith and Judy Shiprack present and Commissioner Diane McKeel joining telephonically.**

**10:00 am – 11:00 am – NON-DEPARTMENTAL**

**B-1 Board Briefing on an Interest Based Approach to Decision Making, Leadership and Conflict Navigation. Presenter: Steve Barber, Barber & Gonzales Consulting**

**PRESENTATION & RESPONSE TO BOARD QUESTIONS AND DISCUSSION.**

**Meeting adjournment**

**Chair Jeff Cogen adjourns the meeting.**

**THERE BEING NO FURTHER BUSINESS, THE MEETING IS ADJOURNED.**



McKeel  
R-1  
1/13/11

As our board's liaison to the Library Advisory Board, I am pleased to bring this item to you today. For the 9<sup>th</sup> Annual Everybody Reads program, Vailey Oehlke, our Library Director has selected The Other Wes Moore by Wes Moore. This powerful book explores how two boys with very similar paths to adulthood arrived at vastly different outcomes. Wes Moore said "When I first stumbled onto this heartbreaking story, I was seized with urgent questions: what makes one life different than another? How do fates diverge? And how do we prevent these tragedies from repeating themselves over and over again in our communities?" As a community reading project it provides us a vehicle to discuss issues of race, social justice, and ponder how we help young people succeed. We are incredibly fortunate to live in a region that values dialogue that strengthens our community and understands that libraries have a vital role to play in our collective learning. With that I would like to invite Vailey Oehlke to speak about Everybody Reads.

R-4  
1/13/11  
Kafury

#### Notes on Supplemental Budget Decision

1. The supplemental budget includes \$2.8 million of beginning working capital in the health department. This is additional federal revenue beyond what was planned for. In the past the health department has had BWC but not at this level. The supplemental budget action on Thursday would allocate this revenue to the health department and would appropriate the dollars to the purchase and implementation of Electronic Dental Records.
2. The Health Department has been moving to electronic records over a number of years. Previous Boards gave them the authority to make a series of investments in electronic medical records. They feel strongly that the policy decision to invest in electronic medical records has already been made.
3. Beyond improving efficiency in our dental services, Electronic Dental Records will allow them to tap into federal dollars in the Affordability Care Act which supports the meaningful use of electronic records. This could be as much as \$1.5 million over six years once EDR is in place.
4. The Chair's office also feels strongly that since this is one time only money and an appropriate one time only investment.

#### Major questions about this part of the supplemental budget:

1. Are these funds required to be spent on health department clinic activities? Or are they considered general fund revenue?
2. If these funds are discretionary, is this the right investment at this time? Or do we have other priorities?
3. If the funds are required to be dedicated to the health department, is this the right investment at this time?
4. In the FY11 budget, the Board invested just over \$8.2 million in general fund revenue to the health department integrated clinical services budget. This is an ongoing general fund investment. Could these funds be used to swap out general fund in the next fiscal year, freeing up \$2.8 million in general fund to address state cuts?
5. What is the rush to allocate these funds to this project today? The Health Department does not yet have a product to purchase. The most likely scenario is that the vast majority of funds will be carried over into the next fiscal year. Why not put them in contingency and make this decision with the budget?

#### Motion you are considering:

Amend the supplemental budget to appropriate the \$2.8M in health department Federal-State Fund BWC to a federal/state contingency fund, pending more information about the allowable uses of these funds and more information from the health department on the electronic dental records project, including project cost, timeline, and benefits.

R-4  
1/13/11  
McKeel

Supplemental Budget

IF THERE IS AN AMENDMENT:

I will not be supporting this amendment today because I believe the Health Department has done their due diligence and has worked to provide information to the Board. Beginning in 2001, the County made changes to where software applications were housed. This kicked off the conversion of medical records and health information systems. These modernizations and upgrades have allowed our Health Department to be more effective, efficient and reach more clients. As part of that ongoing plan, the transition to electronic dental records was made a priority.

As a dental hygienist, I know all too well that one's overall health can be determined by the condition of their mouth and yet it is dental care that often is at the bottom of priorities. Adult dental care routinely is on the list of potential cuts when the State looks to balance their budget. The use of these federal dollars provides us an opportunity to expand the number of patients we can serve while limiting the general fund impact. I support the Health Department in this initiative and hope to see it move ahead soon.



Lynda GROW <lynda.grow@multco.us>

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## Re: would you send us the appropriate language

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Julie NEBURKA <julie.a.neburka@multco.us>

Thu, Jan 13, 2011 at 11:31 AM

To: Lynda GROW <lynda.grow@multco.us>

Hi! Yes, Commissioner Kafoury introduced the amendment. And yes, the HD will have to come back to the Board with a contingency request to get the money appropriated. I'm sure they will schedule something in the near future...

J.

[Quoted text hidden]

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## Compose Mail

## Inbox

Starred

Sent Mail

## Drafts

01/01/11 Future Boa...

01/20/11 Brd Pkt

01/27/11 Brd Pkt

02/03/11 Brd Pkt

02/17/11 Brd Pkt

02/24/11 Brd Pkt

03/01/11 Brd Pkt

03/10/11 Brd Pkt

03/24/11 Brd Pkt

04/21/11 Brd Pkt

06/02/11 Brd Pkt

Board &amp; Room Cale...

Board Clerk Issues

**BoardRules**

Budget

Budget 2011

Commissioner Abse...

Commissioner Trans...

Committee Appoint...

Contacts

Copier-Scanner

Drupal

Elections/appointme...

Electronic Board Pa...

EmergencyActPlan

Facilities

Follow up

Forms

Google Tips

GoToMeeting

**Granicus Training**

IGAs

IT

Marina Baker

**Media Video Filmi...**

Misc

Notary Issues

Notary Public

The Official Google Blog - Now available: Google Places with Hotpot for iPhone - 6 d

« Back to "01/13/11 Brd Pkt"

Remove label "01/13/11 Brd Pkt"

Report spam

Delete

Move to

Labels

More actions

&lt; Newer

New window

Print all

Collapse all

Forward all

**would you send us the appropriate language**

01/13/11 Brd Pkt X

Julie [show details](#) Jan 13 (5 days ago)

Reply

Hi! Yes, I can fill you in.

Parliamentarily (is that a word?), what happened was:

- There was a motion to approve the item (the supplemental budget; I think it was R-4 on the agenda)
- An amendment was introduced and seconded. The amendment was to appropriate \$2.8M of Health Department beginning working capital to a contingency account pending more information on the proposed project.
- There was some discussion on the amendment
- The Chair moved to approve the amendment. Commissioners Kafoury, Smith, Shiprack and the Chair voted yes; Commissioner McKeel voted no.
- Then a motion was made to approve the supplemental budget as amended. All five commissioners voted yes.

That was it! Let me know if you have other questions,  
Julie

On Thu, Jan 13, 2011 at 10:52 AM, Lynda GROW

<[lynda.grow@multco.us](mailto:lynda.grow@multco.us)> wrote:

for what happened today?

I didn't go - Marina did - and I'm not sure what happened.

Apparently there was an amendment?

Something was carved out? and McKeel was opposed?

Can you guide us?

Want to get the minutes right.

Thanks!

—  
Lynda J. Grow, Board Clerk  
Multnomah County Commissioners  
501 SE Hawthorne Blvd., Ste. 600  
Portland, OR 97214-3587

[Lynda.Grow@multco.us](mailto:Lynda.Grow@multco.us)

Phone & Voice Mail: 503-988-5274

View our Agenda and Board Packets at:

<http://www.co.multnomah.or.us/>

[co/agenda.shtml](#)

Lynda GROW



## MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS  
501 S.E. HAWTHORNE BLVD. , Suite 600  
PORTLAND, OREGON 97204  
(503) 988-5213

Diane McKeel • DISTRICT 4 COMMISSIONER

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# MEMORANDUM

TO: Chair Jeff Cogen  
Commissioner Deborah Kafoury  
Commissioner Loretta Smith  
Commissioner Judy Shiprack  
Board Clerk Lynda Grow

FROM: Sean Files  
Assistant to Commissioner Diane McKeel

DATE: January 4, 2011

RE: January 11, 2011 Board Work Session

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Commissioner McKeel will not be able to attend and participate in the January 11, 2011 Board Work Session and Briefing, as she will be in Salem talking with legislators during the Vigil to End Human Trafficking event. She will return for the Board Meeting on January 13<sup>th</sup>, 2011.

Thank you,

Sean Files



**MULTNOMAH COUNTY  
OREGON**

## **BOARD OF COMMISSIONERS**

### **Jeff Cogen, Chair**

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Portland, Or 97214

Phone: (503) 988-3308 FAX (503) 988-3093  
Email: [mult.chair@co.multnomah.or.us](mailto:mult.chair@co.multnomah.or.us)

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### **Judy Shiprack, Commission Dist. 3**

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Email: [district4@co.multnomah.or.us](mailto:district4@co.multnomah.or.us)

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Link for on-line agendas and agenda info:  
[www.co.multnomah.or.us/cc/agenda.shtml](http://www.co.multnomah.or.us/cc/agenda.shtml)

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### **Jan. 11 & 13, 2011 BOARD MEETINGS HIGHLIGHTS**

Tues. @ 10 am - Board Briefing on an Interest Based Approach to Decision Making, Leadership and Conflict Navigation.

Thurs. @ 9:30 am - Opportunity for Public Comment on Non-Agenda Matters

Thur. @ 9:30 am - Briefing on Multnomah County Library's 2011 "Everybody Reads" Community Reading Project

Thur. @ 9:40 am - BUDGET MODIFICATION # DA 2011-01 Request to Appropriate \$60,000 in Funding from the City of Portland for the Service Coordination Team

Thur. @ 9:45 am - NOTICE OF INTENT to Submit an Application for up to \$500,000 to the US Department of Health and Human Services, Bureau of Health Professionals Division of Nursing's *Affordable Care Act* - Nurse Education, Practice, Quality and Retention Grant Competition.

Thur. @ 9:50 am - Bud Mod Overall-01 FY 2011 Supplemental Budget, Adding Beginning Working Capital and Increasing Six County Funds by \$7,808,385.

Meetings of the Multnomah County Board of Commissioners are held at 501 SE Hawthorne Blvd. most usually in the Commissioners Chamber off of the main lobby, on the first floor.

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#### **(Portland & East County)**

Thursday, 9:30 AM, (LIVE) Channel 30

Sunday, 11:00 AM Channel 30

#### **(East County Only)**

Saturday, 10:00 AM, Channel 29

Tuesday, 8:15 PM, Channel 29

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**MULTNOMAH COUNTY  
OREGON**

## **BOARD OF COMMISSIONERS**

**Tuesday, January 11, 2011 - 10:00 am**  
Multnomah Building, Commissioners Board Room 100

### **BOARD BRIEFINGS**

**10:00 am – 11:00 am – NON-DEPARTMENTAL**

B-1 Board Briefing on an Interest Based Approach to Decision Making, Leadership and Conflict Navigation. Presenter: Steve Barber, Barber & Gonzales Consulting





## **BOARD OF COMMISSIONERS**

**Thursday, January 13, 2011 - 9:30 am**  
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**REGULAR MEETING**

### **CONSENT CALENDAR - 9:30 am**

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- C-2 Appointment of Patricia Hanson to the Multnomah County CITIZEN INVOLVEMENT COMMITTEE (CIC)

### **REGULAR AGENDA**

#### **PUBLIC COMMENT - 9:30 am**

Opportunity for Public Comment on non-agenda matters. Testimony limited to three minutes per person unless otherwise designated by the presiding officer. This is a time for the Board to hear public testimony, not for Board deliberation. Fill out a yellow speaker form available at the back of the Boardroom and give it to the Board Clerk. Unless otherwise recognized by the presiding officer, testimony is taken in the order the forms are submitted.

#### **NON-DEPARTMENTAL - 9:30 am**

- R-1 Briefing on Multnomah County Library's 2011 "Everybody Reads" Community Reading Project. Presenter: Vailey Oehlke, Library Director (10 min)

#### **DISTRICT ATTORNEY – 9:40 am**

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- R-4 Budget Modification Overall-01 Approving FY 2011 Supplemental Budget, Adding Beginning Working Capital and Increasing Six County Funds by \$7,808,385. Presenter: Julie Neburka, Principal Budget Analyst (10 min)

#### **BOARD COMMENT – 10:00 am**

#### **ADJOURNMENT**



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(revised 12/31/09)

## Board Clerk Use Only

Meeting Date: 1/11/11  
Agenda Item #: B-1  
Est. Start Time: 10:00 am

**Agenda Title:** **Board Briefing on an Interest Based Approach to Decision Making, Leadership and Conflict Navigation.**

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.*

<b>Requested Meeting Date:</b>	<u>January 11, 2011</u>	<b>Amount of Time Needed:</b>	<u>1 hour</u>
<b>Department:</b>	<u>NonDepartmental</u>	<b>Division:</b>	<u>Comm McKeel, District 4</u>
<b>Contact(s):</b>	<u>Corie Wiren</u>		
<b>Phone:</b>	<u>503-988-5213</u>	<b>Ext.</b>	<u>26234</u>
<b>Presenter(s):</b>	<u>Steve Barber</u>	<b>I/O Address:</b>	<u>503/6</u>

## General Information

### 1. What action are you requesting from the Board?

No action is necessary, this is a briefing by Steve Barber from Barber & Gonzales Consulting about using an interest based approach to decision making, leadership and conflict negotiation.

### 2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Multnomah County Auditor's Office has undertaken a special report on Domestic Violence that will be released within the month. During the course of writing the report it became evident that the need for effective collaboration is one that can be seen across many sectors. No one individual or organization alone can solve large scale inter-jurisdictional problems, and in times of budget shortfalls increased coordination is essential.

The hope is that through strategic collaboration, the entire community can work together to build the capacity to create a solution greater than the sum of its parts. This briefing is an opportunity for the Board of County Commissioners to learn more about the possibilities that are generated from a new approach to collaboration.

### 3. Explain the fiscal impact (current year and ongoing).

None

4. Explain any legal and/or policy issues involved.

None

5. Explain any citizen and/or other government participation that has or will take place.

None

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**Required Signature**

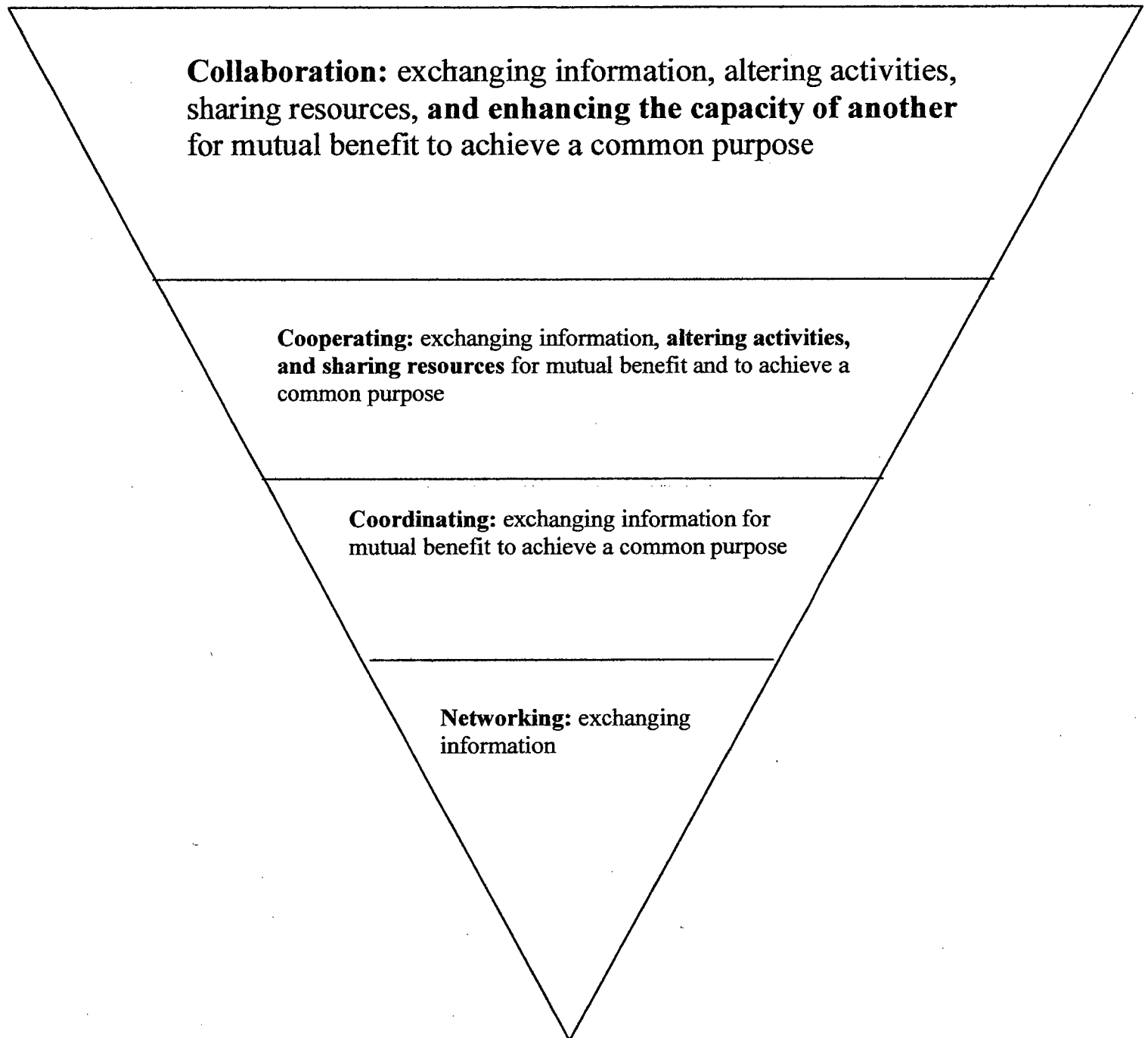
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Elected Official or  
Department/  
Agency Director:

*Diane McKeel*

Date: 1/5/11

## How collaboration is different from networking, coordinating, and cooperating



Source: Kovener, M. & Stark, E. (2002). *Making collaboration work: The experience of Denver Victim Service 2000*. U.S. Department of Justice Office for Victims of Crime. NCJ 194177. Definition originally drawn from: Huxham, C. (1996). *Creating Collaborative Advantage*. Sage Publication Ltd.

# in the crow's nest



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Relationships,  
and  
Negotiations**



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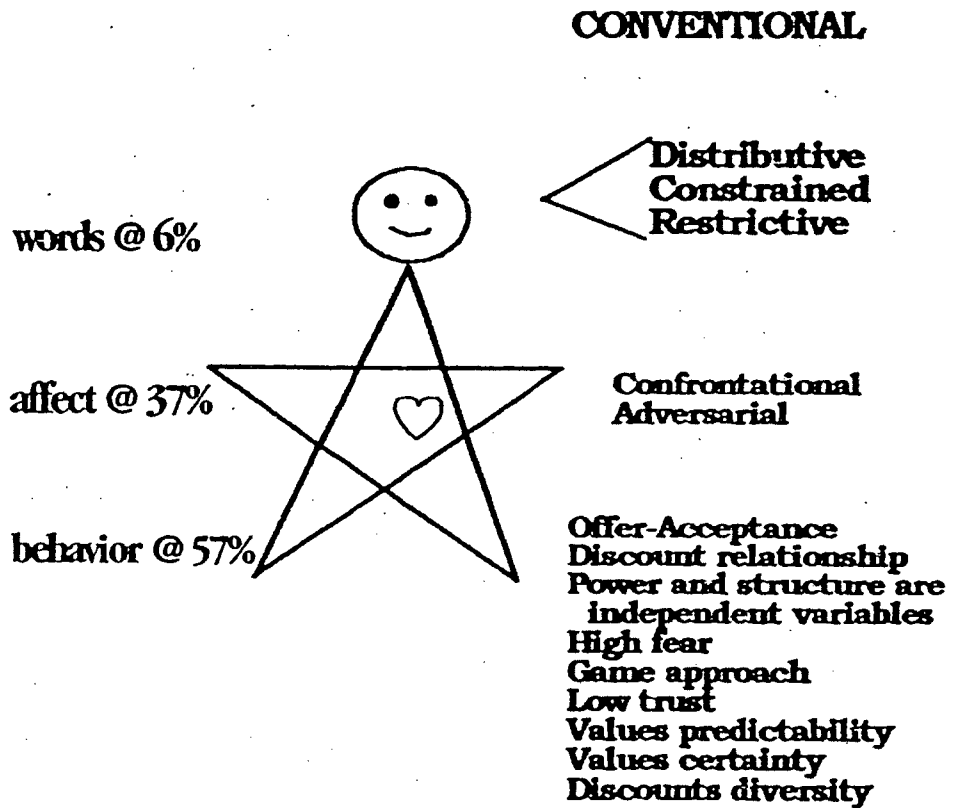
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E-mail: [PrdymPlgrm@earthlink.net](mailto:PrdymPlgrm@earthlink.net)

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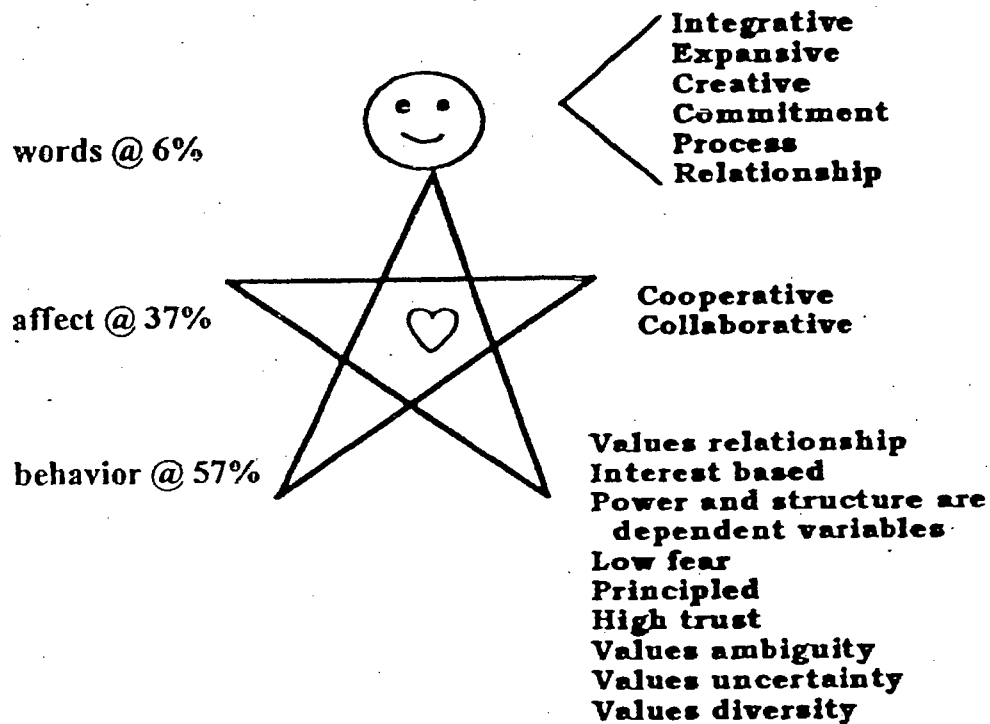
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Vancouver, WA

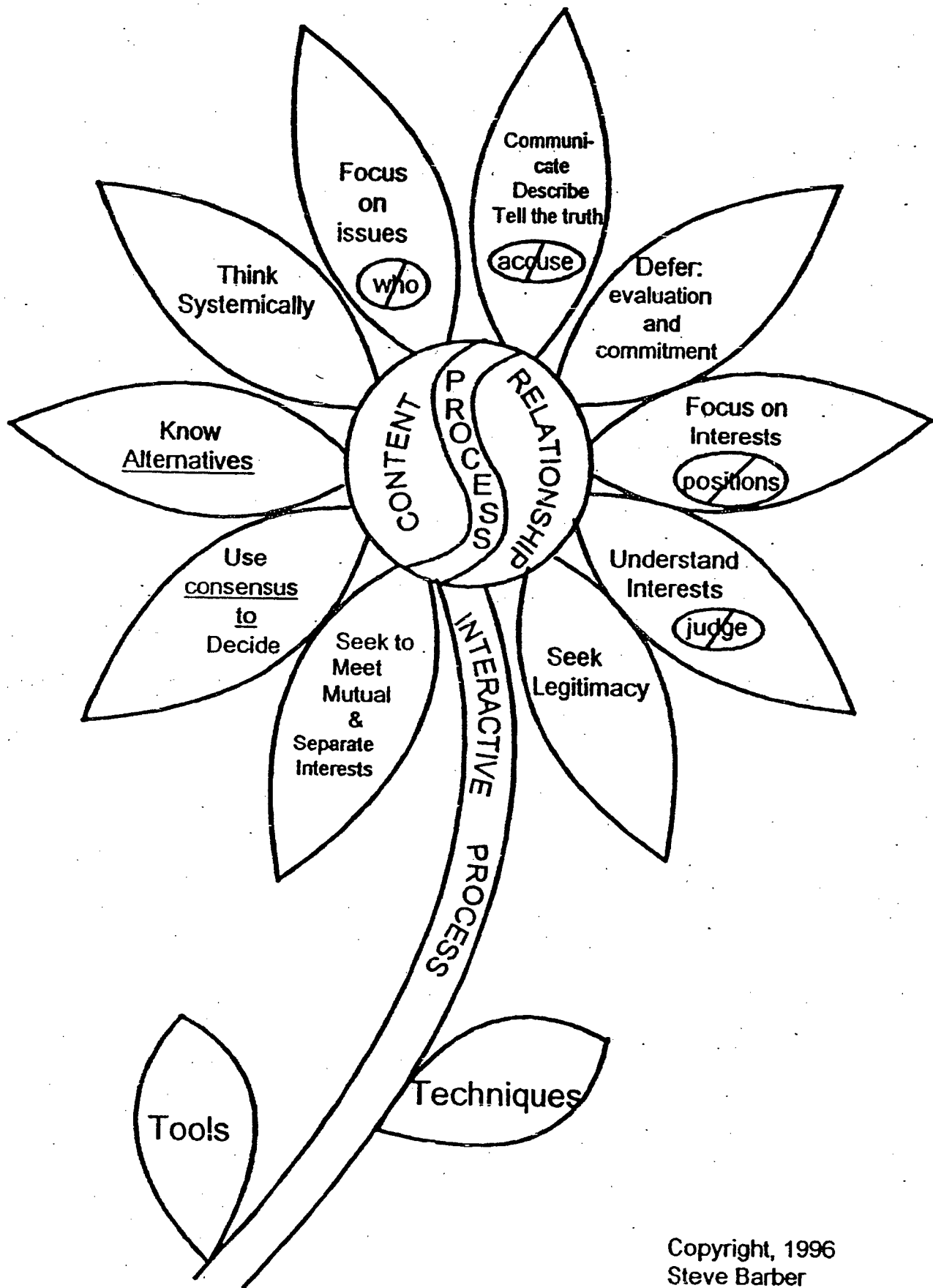
**GOOD DECISIONS ARE TRULY THE CONSEQUENCE OF UNDERSTANDING**  
**UNDERSTANDING IS A CONSEQUENCE OF COMMUNICATION**  
**COMMUNICATION IS ACCOMPLISHED BY HUMAN BEINGS**  
**ORCHESTRATING THREE TYPES OF BEHAVIOR:**



**IN THE EMERGING PARADIGM OF COMMUNICATION THE PRACTITIONER CHOOSES TO ORCHESTRATE A VERY DIFFERENT COLLECTION OF WORDS, AFFECT, AND BEHAVIOR IN ORDER TO ACCOMPLISH DECISIONS.**

## **EMERGING**

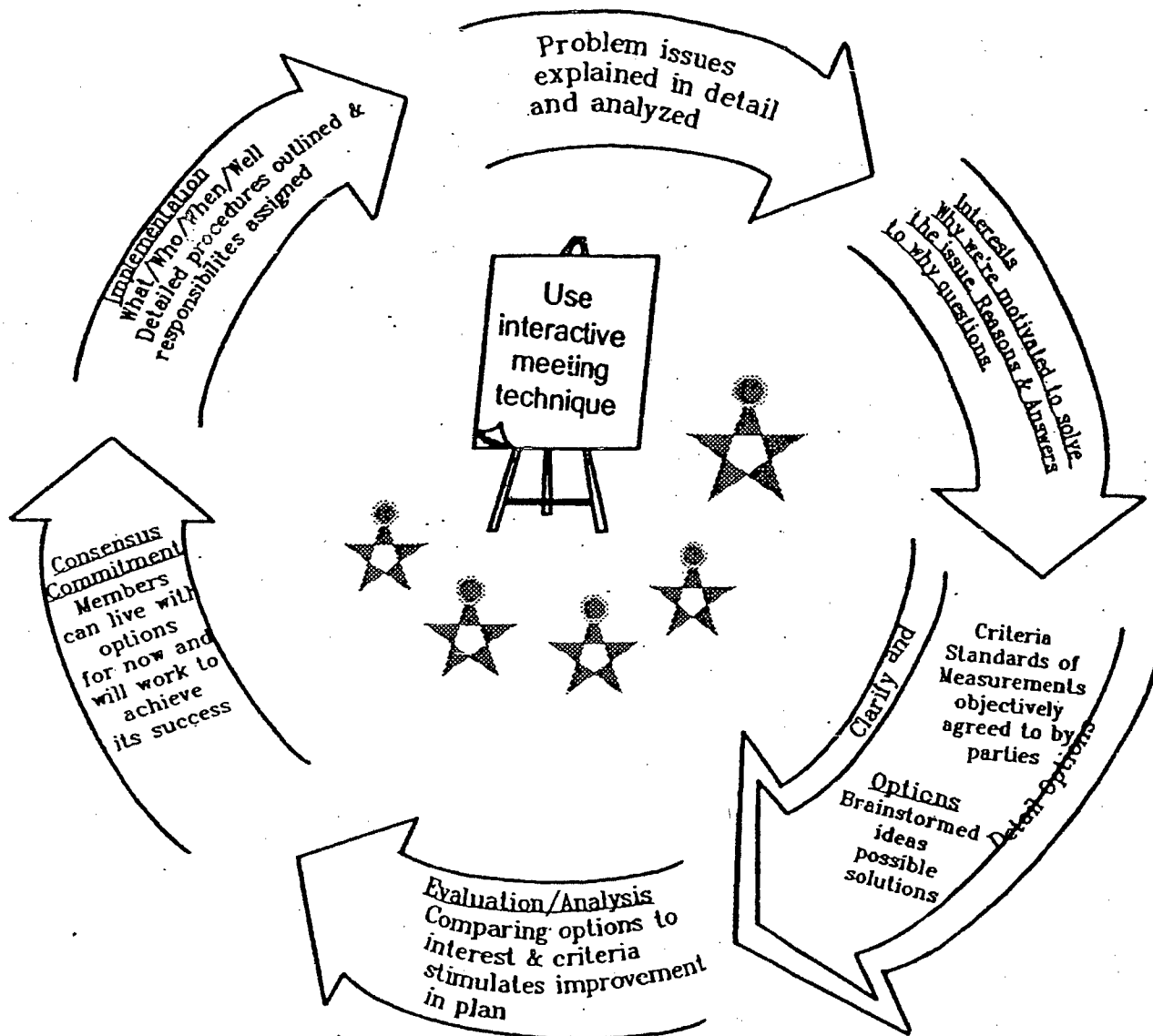




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Steve Barber



## INTEREST-BASED PROBLEM SOLVING ELEMENTS in SEQUENCE



**NOTE:** While sequential, this approach is also dynamic.  
As elements previously considered emerge later,  
participants return to previous step and "start over".

Copyright 1/94 by Steve Barber

Based upon the work of Roger Fisher, Bill Ury, Jerome Barrett, Scott Brown, Doyle and Straus

## **SOME TERMS OF ART....**

**INTERESTS** The motives of the parties to the negotiation. What people or groups need. Derived and reflective of heritage, culture, and stories of the group. Can even be arranged in a hierarchy or priority as with the research of Maslow. A condition sought, a state of being.

**OPTIONS** Possible solutions. In order to operationalize will need the agreement of the parties to the negotiation. The work product of brainstorming without commitment or evaluation. The "other" right answers per John Glaser.

**CRITERIA** Objective standards of measurement. When agreed to by the parties, serve to compare against options. Work product of brainstorming and research. Often externally derived or imposed by control agencies or funding sources. Presenting practitioners with a paradox in that they are also options. There is no one "magic" criteria for any issue.

**ALTERNATIVES** What either party to a negotiation can do without the agreement of the other. What can be done in the event that no agreement can be reached. Feel like threats when perceived by the other party. Don't take your gun out of the holster unless you intend to use it.

**POSITIONS, DEMANDS, PROPOSALS** The solution to which one party is committed. Due to the nature of our familiarity and comfort with the conventional model of offer-acceptance negotiations, these often invite evaluation... usually in the form of judging the interests of the party presenting the proposal.

**EVALUATION** The comparison of possible solutions (options) to criteria, interests, and the issue or problem. "How well does this option meet our mutual and separate interest, fit the criteria, and solve the problem." This exercise is accomplished without commitment.

**CONSENSUS** When the parties to the negotiation can say that at the very least the option is one that they can live with and support for now. Note that so long as a party to the negotiation is saying "no" consensus doesn't exist. However, the naysaying participant is obliged to explain "why", so that the naysayer and other participants can continue to focus on creative solution designing.

**INTERACTIVE MEETING** A facilitated meeting of a group of people. Utilizes a non-conventional format in setting and process.

**BATNA** The Best Alternative To a Negotiated Agreement

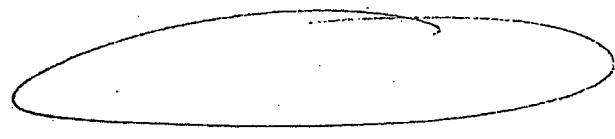
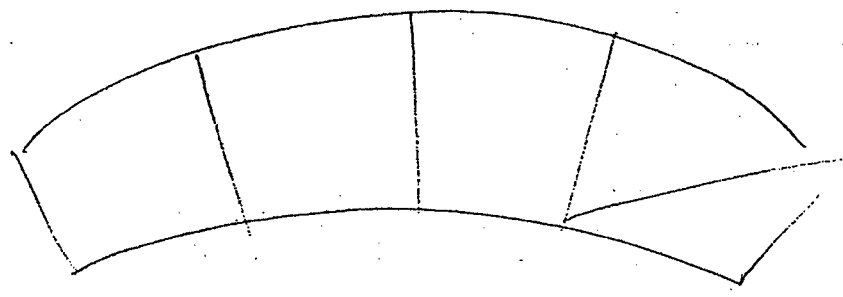
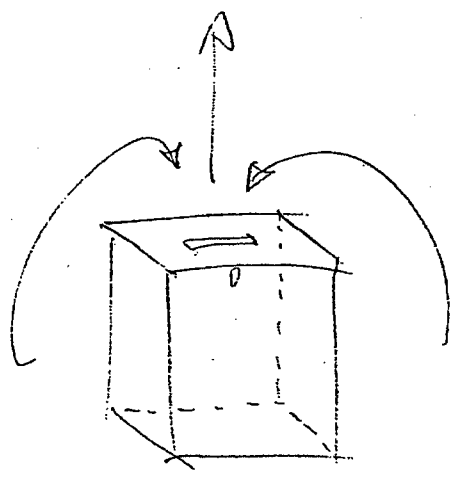
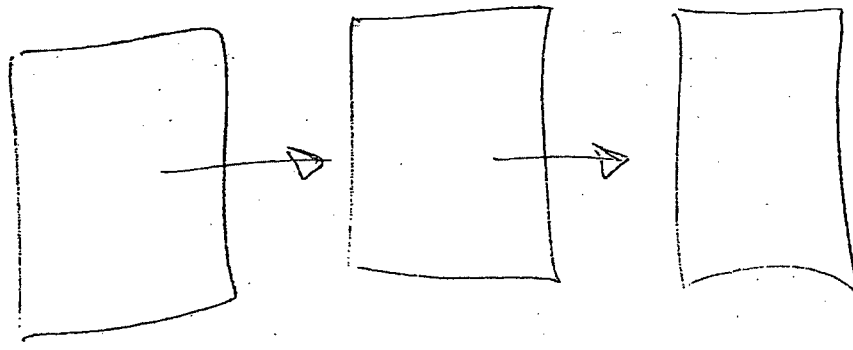
**LEGITIMACY** The psychological condition of ownership or support for a decision. A consequence of using reason(s) and participation rather than power, coercion, or leverage as the basis for a decision.

**Barber & Gonzales Consulting Group**

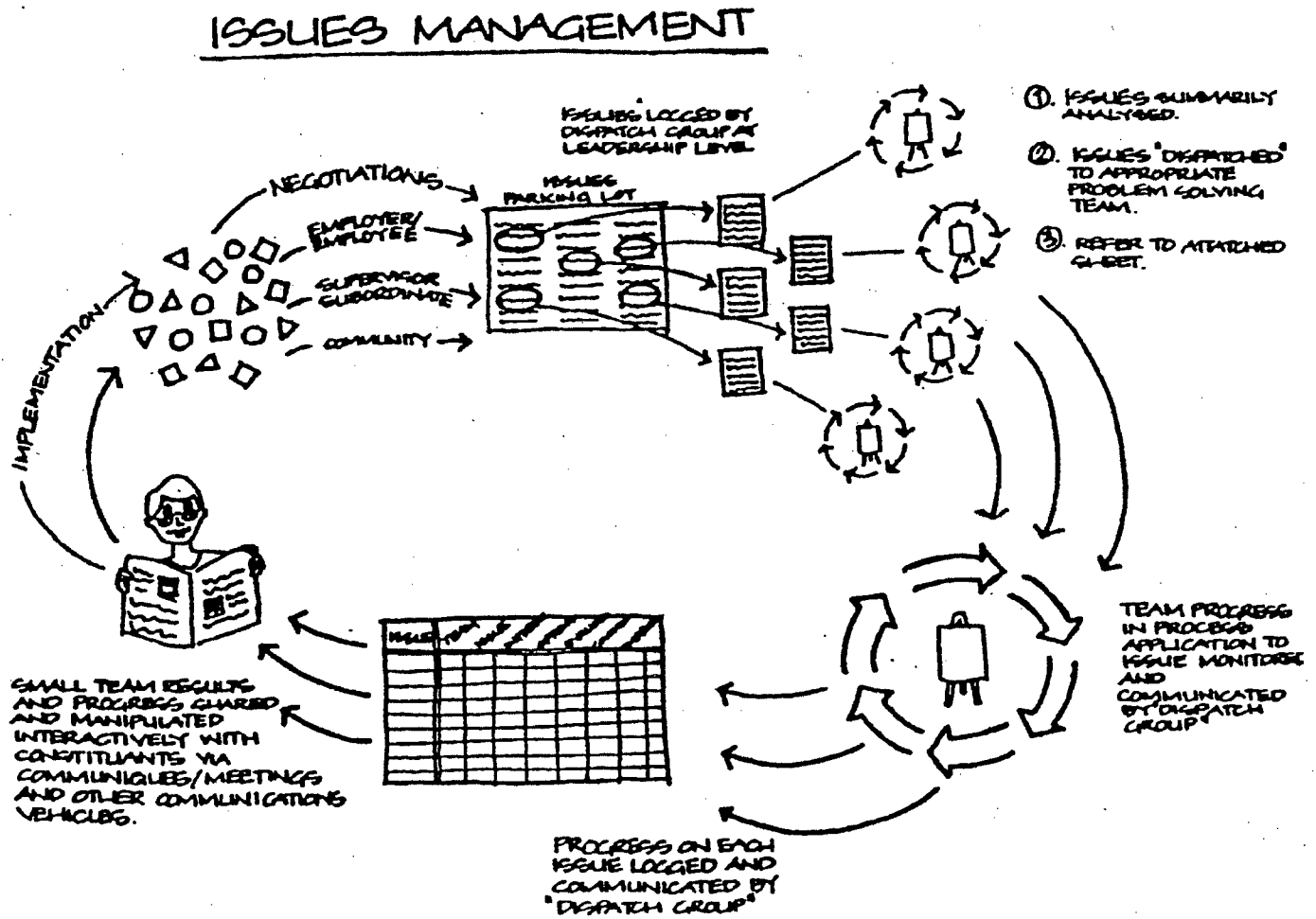
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Email: PrdymPlgrm@earthlink.net

Web Page: <http://www.paradigmpilgrim.com>



# Issues Management Flow Chart



STEVE BARBER © 1994

**Barber & Gonzales Consulting Group**

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## Issues Management Chart/Grid

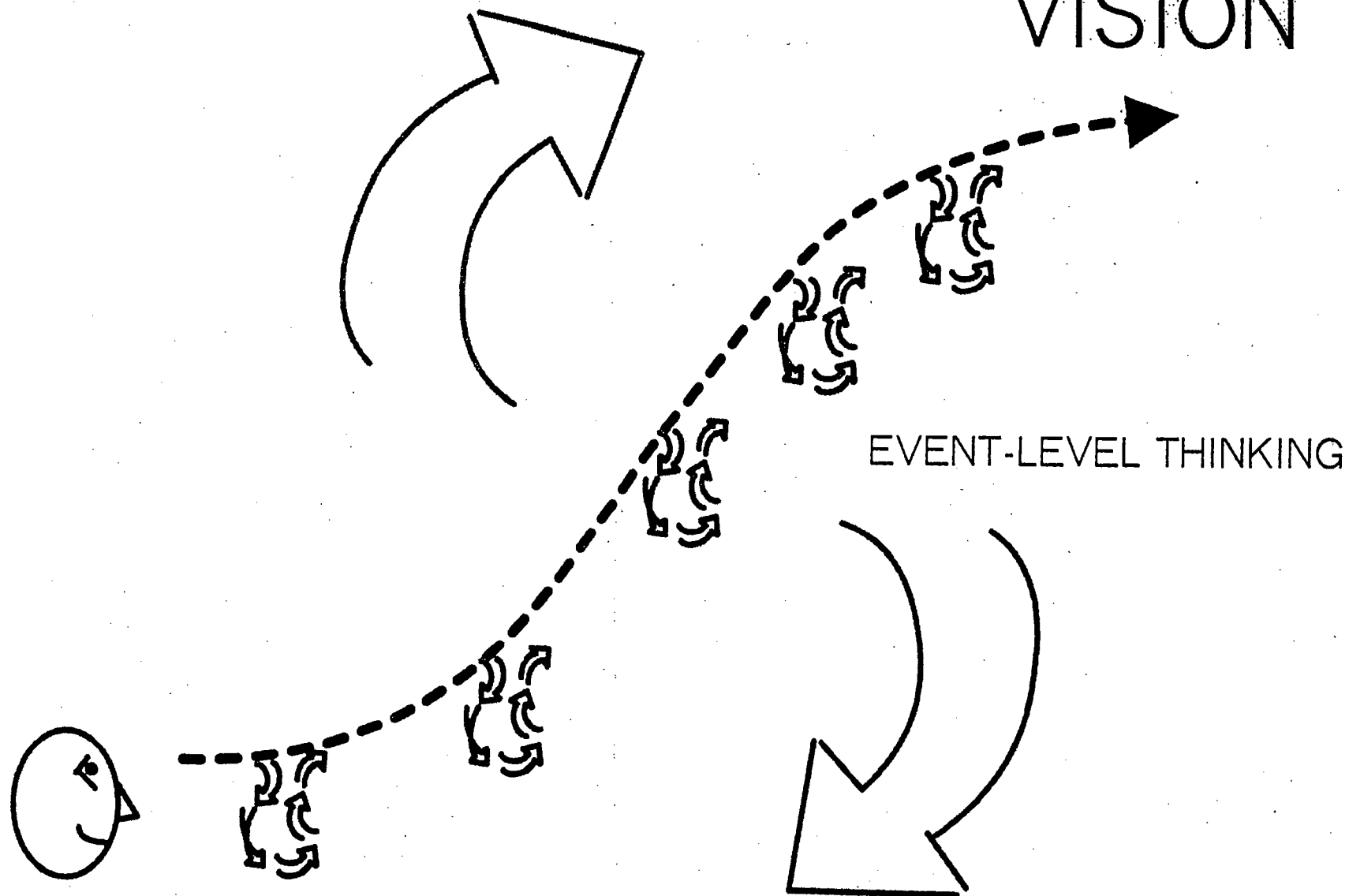
ISSUES	TEAM ASSIGNED	PROBLEM/DATA GATHERING	INTERESTS ANALYSIS	OPTIONS/ CRITERIA	EVALUATION	COMMITMENT	IMPLEMENTATION	COMMUNICATION	FEED BACK

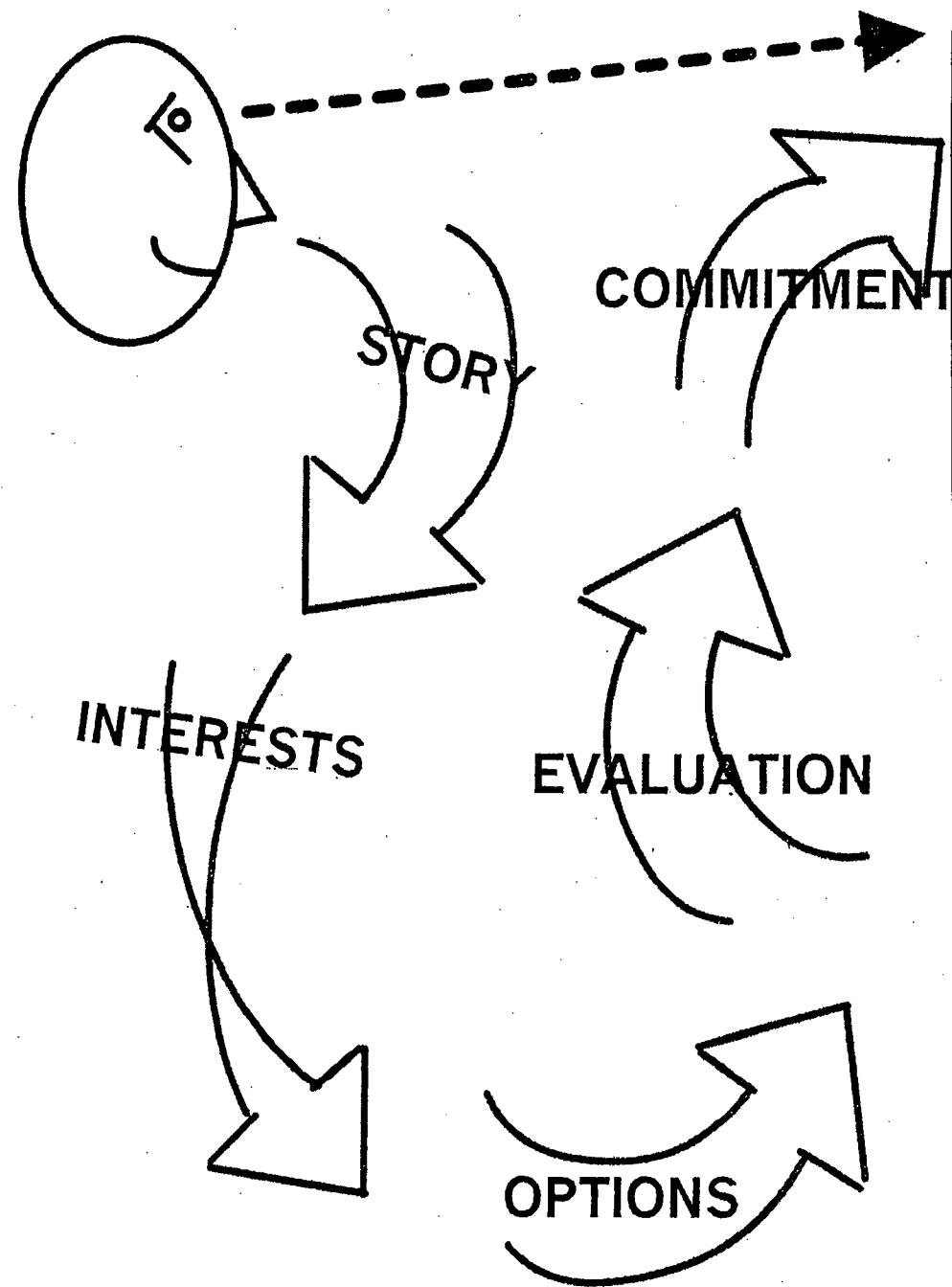
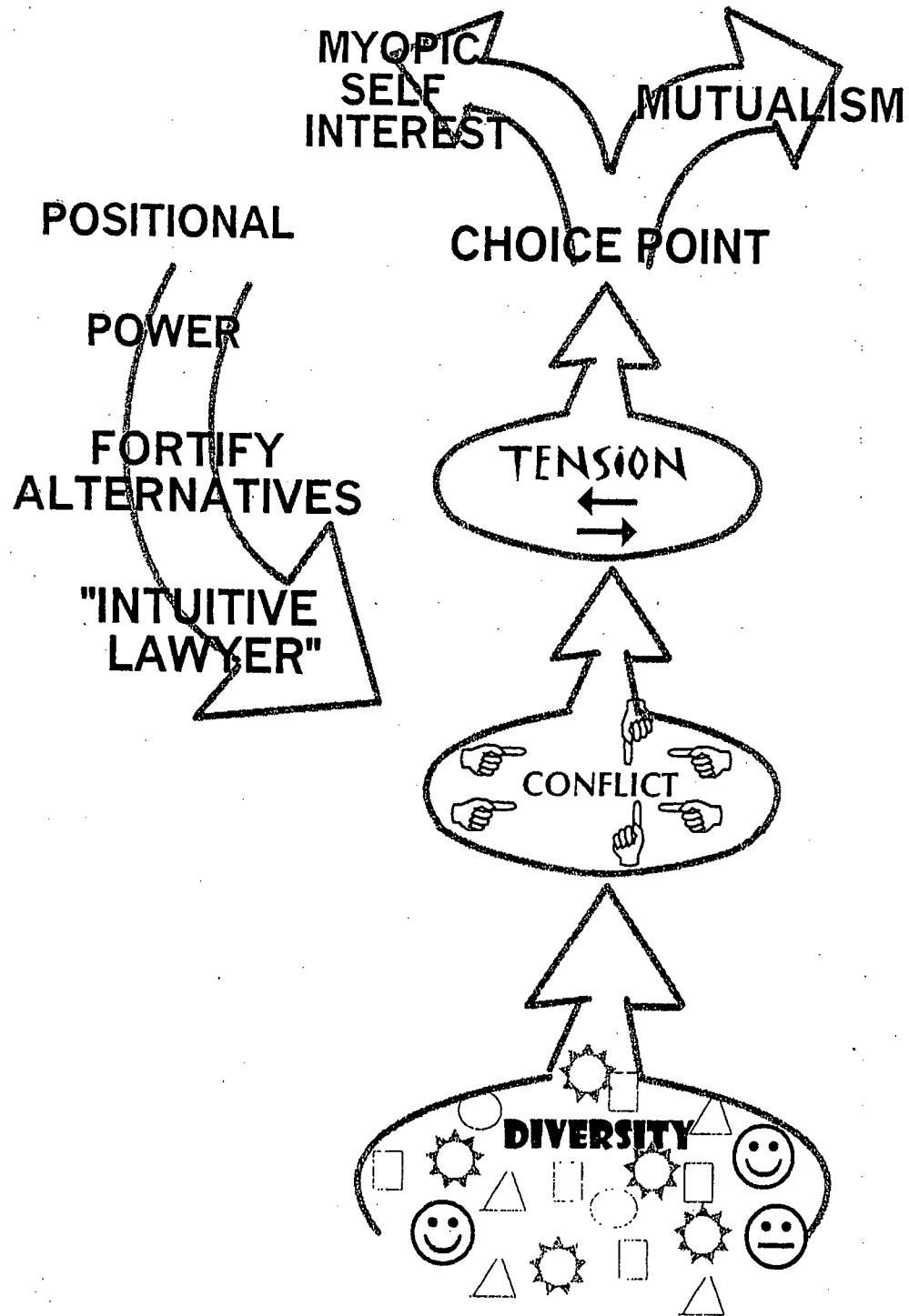
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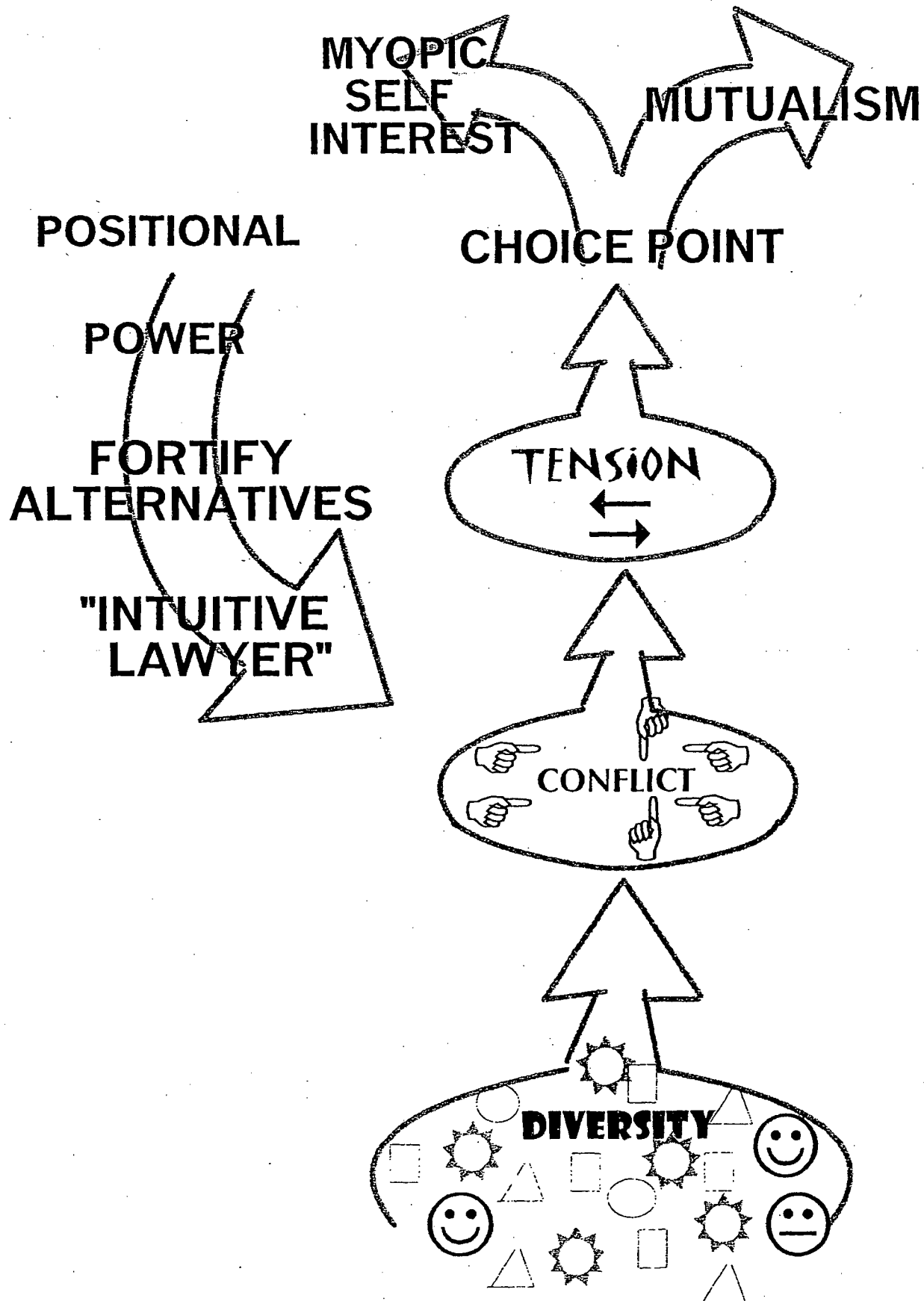
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SYSTEMS THINKING

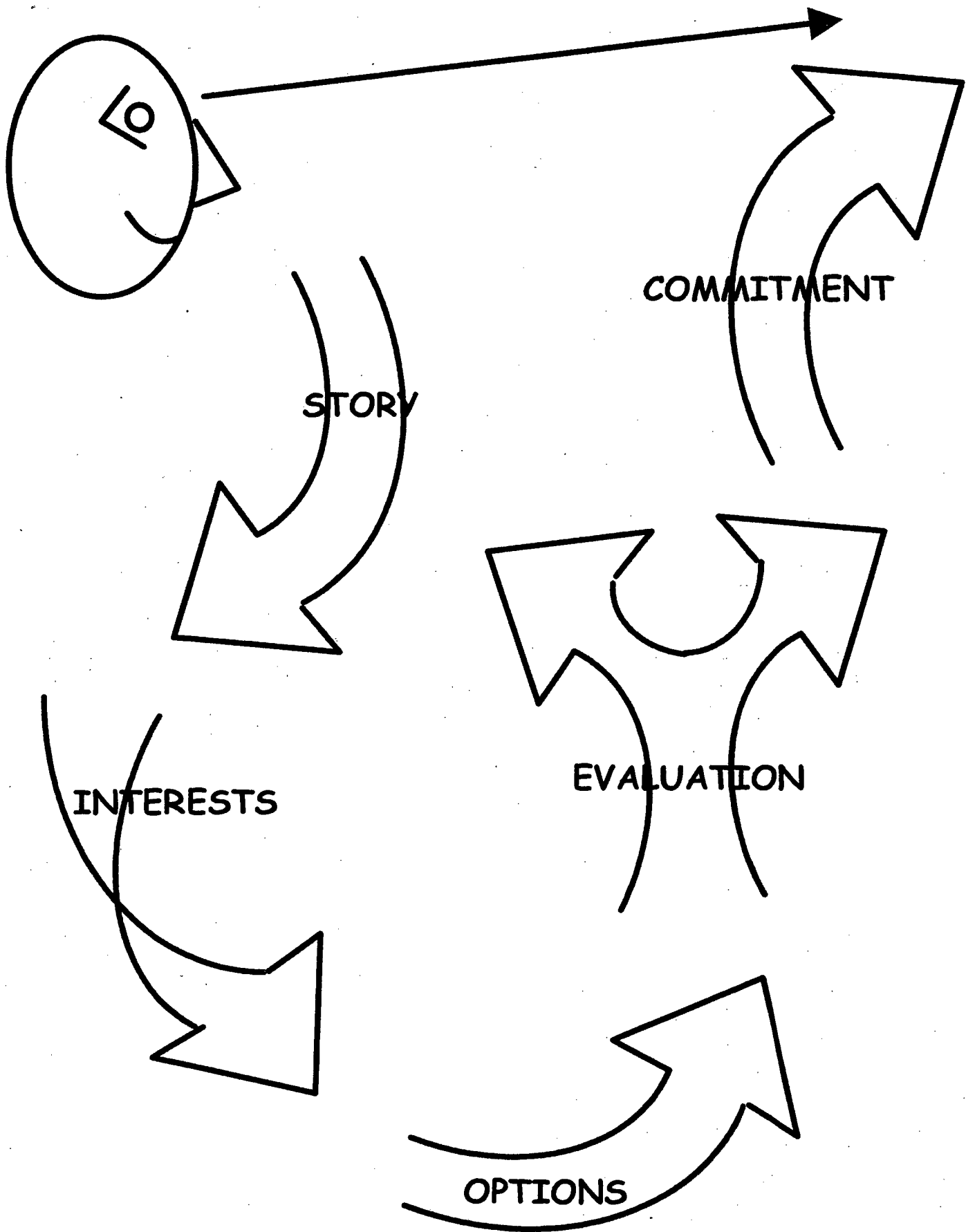
VISION

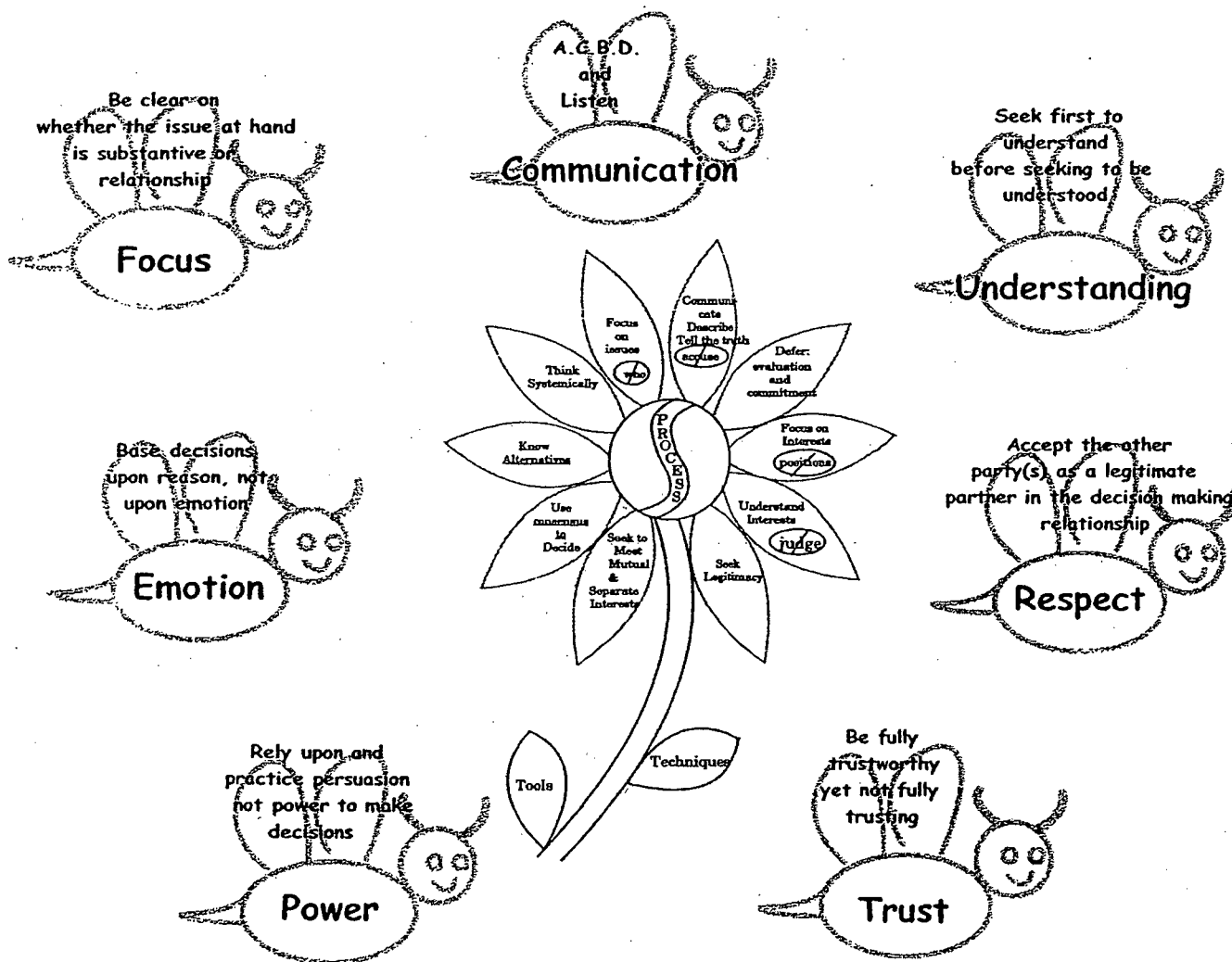












CONVENTIONAL	COMPONENTS OF THE WORKPLACE	EMERGING
Entitlement	Basis of Contract	EE & ER Mutually Add Value
Autocratic Paternal Hierarchical Principal-agent Master-Servant	Structure of Relationship	federal organic quantum horizontal web-like
Do what's told	Participation Expected	Participate in process
Homogenous Specificity	Selection	Embrace & seek diversity- competencies
Conformity Adherence to Order(s)	Evaluation	360 degrees
Static & Structured Distributed	Compensation	Fluctuates with results Integrated with whole
Described & outlined by the "expert"	Description of "work"	Described by work at hand & those responsible; competencies required
Individuals Management	Managed by	Teams Governance
Via Command	"Control"	Self-motivated via legitimacy
Product Driven	"Market" & environment of opportunity	Service driven
The End User	"Customer"	360 degrees for each participant
Avoid/Risk averse	"Change"	Inevitable/Risk resigned
Act-React	"Process"	Participatory - Interactive
Certain Predictable Quantifiable	"Results"	Uncertain Unpredictable Quantifiable
Mechanical	Organization Itself	Social

# THE MENTAL MODEL OF RELATIONSHIP MANAGERS

(Executives, managers, supervisors, shop stewards, business agents, etc.)

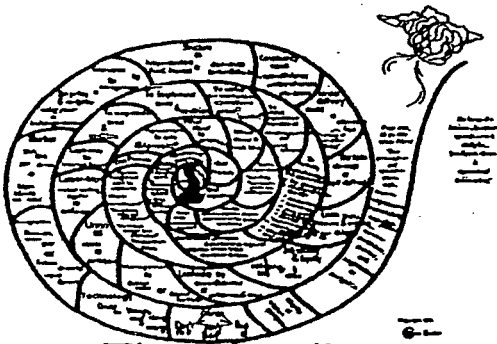
FROM		TO
Decider	⇒	Facilitator
Director	⇒	Coach
Instructor	⇒	Mentor
Master	⇒	Servant
Thinking that: Conflict & Problem = Broken & Fault = Sanctions/Discipline <u>Fear</u>	⇒	Thinking that: Conflict & Problem = Opportunity to Improve/Learn = <u>Ownership</u>
Organizational Communication That says, "Check your brains at the door."	⇒	Organization communications that says, "Be an educated, multi- capacity, aware participant."
Responsibility for subject matter expertise	⇒	Responsible for process & relationship expertise

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Steve Barber, 1996

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# THE HOME PAGE

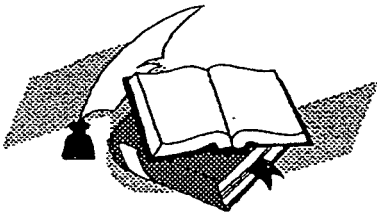
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**The Nautilus  
of Organizational Issues  
Interdependent with an  
Interest Based Approach**

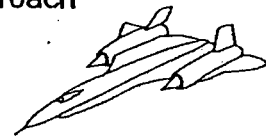


**Navigating the  
emerging paradigm  
of decision making**



**Articles by  
Barber & Gonzales  
and related authors**

**A Brief Overview of the  
Interest Based Approach**



**Discovering a better way:  
Articles/stories  
about IBA in:  
Labor  
Environment  
Community  
Public Policy  
Organizational  
Development/Effectiveness  
Planning**



**Bookmarks & Links to  
organizations, associations  
and parties related to IBA**



PARADIGM PILGRIMS  
in  
Communication • Organizational Effectiveness • Negotiation

**STEVE BARBER** is recognized as a leader in the field of non-adversarial negotiations, decision-making, problem-solving and organizational effectiveness. After serving as the top aide to two California State legislators, Steve held the posts of Executive Secretary and Deputy Director of the California Public Employment Relations Board during his 15 years with that agency.

Steve has logged over 30,000 hours introducing a non-adversarial process for collective bargaining in union-management relations. His pioneering work as a change initiator has brought him national and international recognition. He was a U.S. Delegate to a United Nations conference on introducing and sustaining an interest approach to negotiations for international employers and unions. Recently he was invited by the Association of Quality and Participation to introduce interest-based decision-making principles to international business and government communities.

Steve graduated from UCLA with a degree in Political Science and attended graduate school in Political Science and Philosophy at California State University at San Diego. He frequently presents to state and regional conferences on the subject of employer/employee relations, organizational development and change initiatives. As a principal of the Barber & Gonzales Consulting Group, Steve conducts training, facilitation, and consultation in an interest-based process for private and public sector clients, environmental concerns, special districts, and public participation projects.

**Raymond J. Gonzales, Ph.D.** was elected to the California State Assembly in 1972 and was Chairman of the Education Committee. He later served as the Director of the Office of Education Liaison for the State of California and as administrator of the state's health manpower programs. He ran the state's farm labor camps, as well as serving as education advisor to the Governor. In 1976 he was appointed by the Governor as a member of the Public Employment Relations Board.

Dr. Gonzales served in the U.S. Department of State's Foreign Service from 1980 to 1990, as political officer and labor attaché at U.S. embassies in Latin America and the Caribbean, and at the U.S. Embassy in Brussels before the European Communities and NATO.

Dr. Gonzales received a diploma in Hispanic Studies from the University of Barcelona, Spain and a Bachelor of Arts in Spanish and English from San Francisco State University; a Master of Arts in 1964 from University of the Americas, Mexico City; and a Ph.D. in Latin American Studies in 1971 from the University of Southern California. Currently he heads the Institute for World Languages and Cultures at Cal State University, Monterey, California.

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Consulting Group

**PARADIGM PILGRIMS**

in

**Communication • Organizational Effectiveness • Negotiation**

**PARTIAL LIST OF CLIENTS**

AC Transit	Los Angeles InterAgency Council
A.T.U., I.B.E.W., AFSCME	Montebello Unified School District
Arizona Alliance for Collaboration	Northern California Power Agency
Association of Quality and Participation	Northern Telecom
Brussels Institute on bringing Quality and	Pendergast School District
Participation principles to the community	Phoenix Fire Department
Bay Area Rapid Transit	Phoenix Union High School District
BPMA, BPOA, AFSCME, ATU, & the	Placer Consensus Project (Placer County)
Joint L/M Committee	Placer County Water Agency and the Operating
Calgary Board of Education and School District	Engineers, Local 39
California Department of Fish and Game	Placer Dispute Resolution Service
California Foundation for Improvement of	Public Officials in Water and Environmental
Employer-Employee Relations (CFIER)	Reform (POWER)
20+ clients: elementary, high school,	SAFCA (Sacramento Area Flood Control
community college districts and unions	Agency)
(classified and certificated)	Sacramento Regional Transit and Staff
California Special Districts Association	Association and Supervisors
California State Employees Association (CSEA)	Association, IBEW
California State Legislature:	Salt Lake City Public Schools
Budget Conference Committee	South Fork of American River Dialogue Project
Freshmen Democratic and Republican	Various private sector clients in service
Caucuses	industry (transportation, freight),
Women's Caucus	wholesale foods
City of Fairfield and 3 bargaining units (fire,	
police, and general)	
City of Fremont & Catellus Development	
Company	
City of Palo Alto Public Utilities and	
Environmental Department	
City of Petaluma and the International	
Association of Firefighters	
City of Roseville	
Firefighters, Police Association,	
I.B.E.W., Oper. Engr, Local 39	
City of Roseville Homeless Forum	
City of Santa Rosa and the Police Officers	
Association	
City of South Lake Tahoe and 3 bargaining	
units (fire, police, general)	
City of Union City, & the Union City Police	
Officers' Association, & Operating	
Engineers, Local 3	
El Dorado County and the Deputy Sheriff's	
Association & Public Employees, Local 1	
International Brotherhood of Teamsters	

**ASSOCIATIONS & AFFILIATIONS**

Search for Common Ground  
 International Association of Public Participation  
 Practitioners (IAP2)  
 Organizational Development Network  
 Association for Quality and Participation  
 Arizona Alliance for Collaboration  
 California Foundation for Improvement in  
 Employer-Employee Relations  
 Institute for Community Initiatives  
 The Workplace Institute  
 AQP Excellence in Government and  
 Community  
 University of California, Davis: Instructor,  
 Extension Program  
 Los Rios Community College District:  
 Instructor, The Training Source  
 Sierra Business Council  
 International Association of Facilitators

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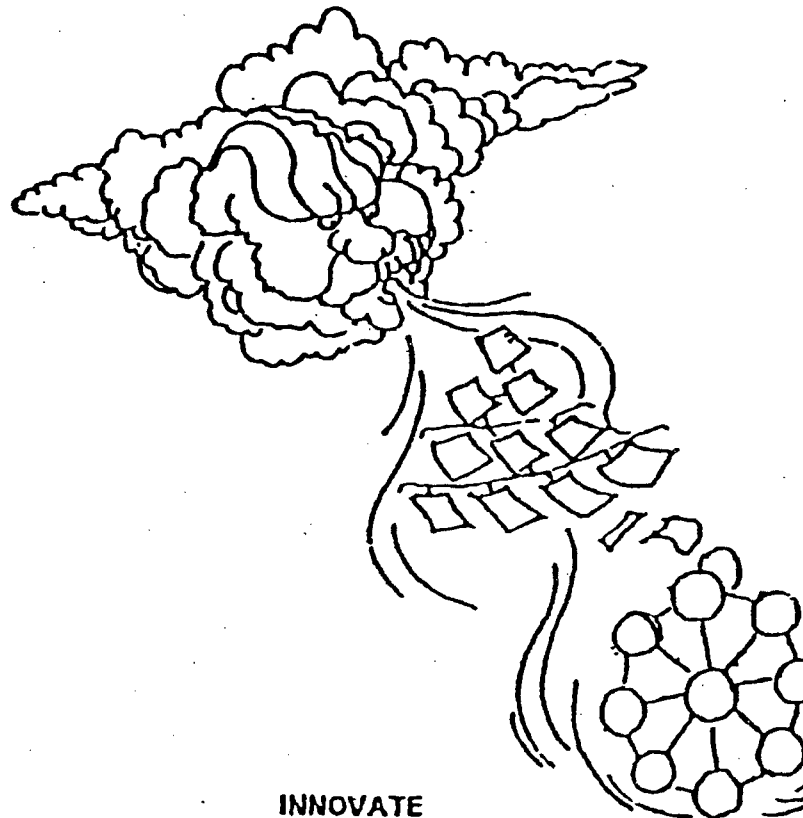
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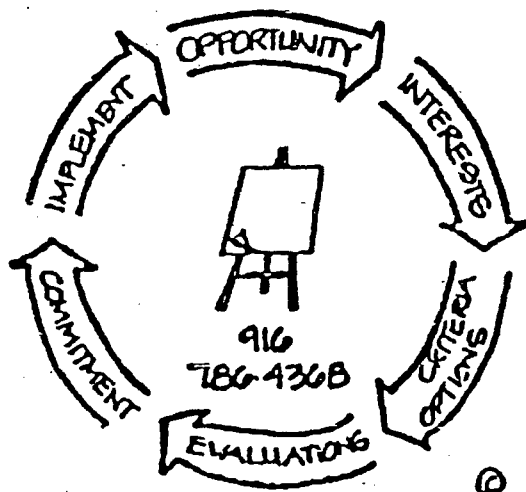
ONE APPROACH TO SURVIVING AND THRIVING IN THE FUTURE IS TO



ANTICIPATE



INNOVATE



AND BE EXCELLENT

Change is ubiquitous! Change is unsettling!  
 Change will happen with or without our participation.  
 It is applicable in our own places of work and in our own  
 specialization or profession as surely as it is in the "other guy's."  
 The Barber & Gonzales Group provides its clients with the tools  
 and techniques that have been proven to work in the face of this change.  
 We do this by improving organizational effectiveness through the application of  
 an "interest approach" to communications and problem solving in employer-employee  
 relations. In addition, we work with any relationship where two or more interests must be  
 reconciled to one another in order to move things forward



NAVIGATING  
THE  
EMERGING PARADIGM



THRIVING ON K<sup>NO</sup>W

by

 Steve Barber

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\$24.95

**AN OVERVIEW  
of  
PROBLEM SOLVING  
through  
DECISION MAKING  
and  
NEGOTIATION**

**with emphasis upon operationalizing an  
INTEREST APPROACH**

**prepared**

**by**

**STEVE BARBER**

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## Within a Context....

During the 70's, while serving as the deputy director of California's Public Employment Relations Board, I became obsessed with the transformation of the American auto industry in the face of Japanese ascendancy. I was convinced that there were lessons to be learned from the Japanese but the challenge was to get others such as the Americans (and my favorite motor vehicle makers, the Italians) to listen, let alone do something once they got the lesson.

Fortunately for this auto enthusiast, others with more celebrity and influence than I were at work on the subject. One such luminary was David Halberstram. His book *THE RECKONING* inspired me to wonder aloud whether or not such a transformation or paradigm shift might also be conceivable in the field of labor/management relations in the public sector, especially schools. This was something which I had thought about for many years but refrained from voicing due to the hostile reaction such vocal musings would, and did, receive from the professional practitioners and most of my colleagues.

As I was in their service to some extent through my role as an executive charged with administering California's version of the Wagner and Taft-Hartley Acts, I found that asking fundamental questions about underlying assumptions of process and relationships between the employer and employee organization were not well received. In fact such questions were considered to be further proof to the "experts" of my being inappropriate for the job I held! After all, my background was in political science (worse yet, politics, that dirty word) not industrial relations. What more proof did one need?

Fortunately, others with labor-relations credentials that could not be so easily dismissed by practitioners and colleagues in my immediate vicinity were tuned into this shift in process and assumptions. Tuned in to it so much so that they were actually putting this "radical" approach into practice...and with no small success. So it was then that I was able to provide the labor relations practitioners in public education and state government with a continuous stream of examples and writings about this "emerging paradigm". Even more fortunate was that one of their own, a management negotiator named John Glaser, had begun to study the different methods of negotiation being used by school districts throughout the state. In fact John and his negotiating partners in the classified and certificated units at Napa Valley School District had gone beyond simple inquiry and had begun to *use* some of these new approaches!

A frustrated Board member at PERB, exclaiming that there had to be a better way to do labor relations than the one that was deluging the agency with casework well beyond original expectations, provided the window of opportunity needed to breathe life into what had heretofore been my subterranean undertaking! Thanks to the efforts and skills of Janet Walden (she was damn near compulsive about it) at bringing ideas and a coalition of management and labor practitioners to life, my subterranean odyssey into the future became an actual program within the agency. With the help of Ralph Dills and Becky Morgan (California State Senators, a Democrat and Republican, who co-authored first ever legislation to fund the project) PERB's efforts had the credibility necessary to attract start up funding from the Stewart Foundations and the Hewlett Foundation.

The rest is a history of success, "Let Mikey" try it, "Looky Lous", "horses that won't drink the water", and taking it to other venues such as private sector, cities, counties, and legislatures. The difficulties and drawbacks to introducing and practicing a completely different paradigm or model of doing business within an enterprise is perhaps best understood as a recovery experience: recovering from the paradigm the parties to the enterprise have consciously found as not useful or appropriate for current reality or context.

While this is the case for discrete enterprises, what about communities or political systems? I believe the use of paradigmatic thinking is applicable here too. The principles set forth in this booklet are presented here in the context of the workplace yet have comfortable application in the broader setting of community or political system. So too, do they have application in the context of individual human relations such as in a family or personal relationship.

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## A Reference Point or Guide is Helpful....

Pursuing my own passions in this odyssey has found me facilitating or training in an interest approach to negotiations, organizational development, public policy determinations, conflict management and more....for over 30,000 hours since 1987! I have been facilitating or training in these and related issues virtually full time since 1990! These hours and hours with teams struggling to unlearn the past and bring on the future has enabled me to discover not just my own style of helping them do that but also realize that this style seems to be well received by most.

As a result, I have been repeatedly asked to compose my unique view of this emerging paradigm and how it works into a handy reference guide. This booklet is a rough outline of the ongoing effort to be responsive to these requests. In addition to this booklet a videotape is under production and expected to be available, a reader (a collection articles about the specific application and experiences of an interest approach in public education) is being prepared, an interactive computer program based on the interest approach is in the works, and two more books expanding upon the basics of this one are planned.

This booklet is my genuine attempt to begin to integrate my theoretical and academic understanding of how people make decisions within both the traditional and interest based approach. Much of what appears here has been distilled from these 30,000+ hours of face to face work combined with an inquisitive and curious mind trying to connect what it sees in practice with everybody else's explanations. Sorry, I can't help it.

**PROBLEM SOLVING** as most of us know it and practice it seems quite natural, as though it is something we're born with the capacity to do. After all, what we're doing is just making a decision. Confronted with a problem we use "common sense", logic, a few tools we've acquired, how others do it, what we've always done and solve the thing. The sooner the better too!

Yet, in our heart of hearts we know that's not what happens. Upon reflection, we are aware of the reluctance our peers and organizations have to identify, let alone confront, problems we or others perceive. Any number of reasons explain this reluctance. Perhaps, the most common one is derived from the structure of organization in which we do business. It is one which has traditionally equated the concept of "problem" with that of "failure" or "wrong" or "error" etc.

We are aware of the lack of comfort and awkwardness associated with directly communicating to the principals in any perceived situation for fear of damaging the relationship. And we are aware of the post-scrutiny and "Monday morning quarterbacking" that goes on after any solution is "announced". Fear, unique to each participant, is incredibly alive and flourishing as a motivator in our familiar model in the workplace.

This booklet is designed to serve as a definer of context or as a reference maker for the elements which one must orchestrate to participate in or understand a very different model of problem solving in the workplace: AN INTEREST APPROACH TO PROBLEM SOLVING...

## **AN INTEREST APPROACH**

### **to NEGOTIATION - COMMUNICATION - PROBLEM SOLVING**

#### **What is it?**

An interest approach to communication, negotiation and problem solving is a non-adversarial means of achieving decisions or even just being understood in a discussion or dialogue with others. It consists of a collection of principles and techniques familiar to anyone. These principles include such concepts as focusing on issues not personalities, making decisions which are based on an objective reason rather than power or coercion, accepting all motives or interests as givens, rather than evaluating those interests as right or wrong.

It includes the recognition that human beings are just that and as human beings we are usually going to find ourselves "in relationship" to others. Because of this the human element in any situation must be taken into account and focused on as much as the substantive if one is to achieve a good and lasting situation rather than a "win". Outside of playing games a "win" will often guarantee the winner that an enemy has just been created who will do everything possible to insure a "lose" next time, as in the late Jesse Unruh's advice, "Don't get mad, get even."

#### **Who uses this approach?**

Although its components are familiar, to work well and serve as a tool for developing organizational effectiveness in the face of the ubiquity of change, the interest approach is most successful when introduced jointly to the parties committed to using it. The introduction is through a facilitated training and practice.

It is being used and introduced in labor relations, public policy decision-making, alternative dispute resolution, international relations, economic development, counseling, planning, business, government, and more. Professionals in these fields and more are discovering that the traditional approaches are no longer effective in the face of multi-variate change.

#### **Is it effective?**

An interest approach is at once analytic and creative, enabling people to turn loose both of those strengths that define us as human. Its application in public school labor relations reduced the filing of formal complaints by 70% in the labor management relationships introduced to it, its application in international relations is visible to day in South Africa and the Middle East. The interest approach is fast becoming the antidote to failed or stalled initiatives in quality and participatory management in business.

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## UNDERSTANDING.....

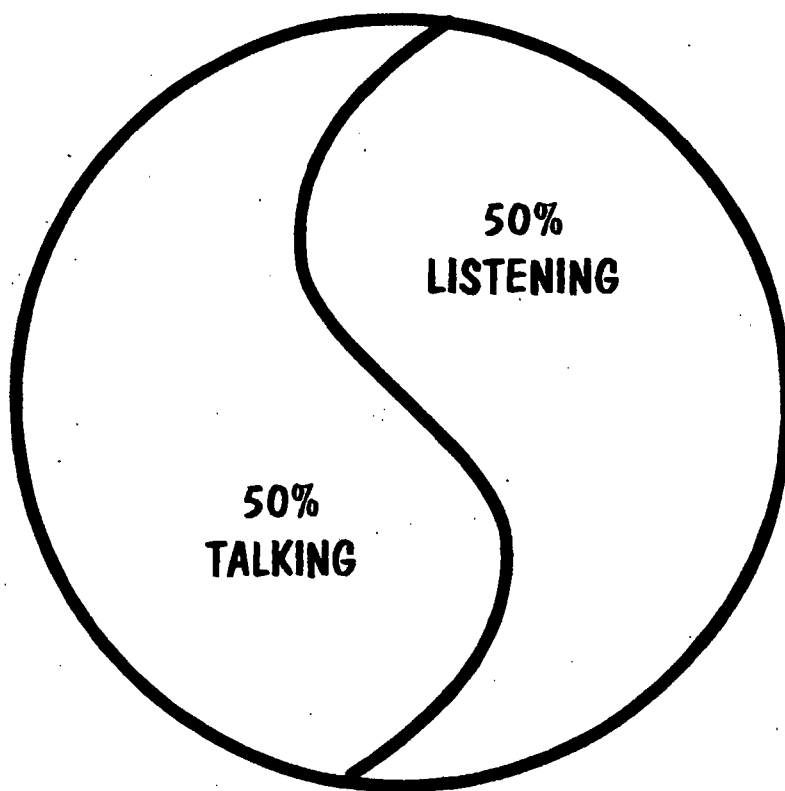
Successful problem solving, like negotiation, is essentially a consequence of the parties to the issue understanding it well enough to have a "meeting of the minds" about the issue and the solution. Note the use of the word "successful". One can experience problem solving that provides a solution ( a definition of success) but does not contain within it the needed ingredient for its enactment (as in "Because I said so" model): the support of those involved and impacted.

Understanding, coming "to know" or "be known" in the mind of another person or group, is a consequence of something everyone calls "communication". But what is communication? What does it look like? According to the author of the book "Getting to Yes", Roger Fisher, communication is "50% talking and 50% listening, and the most important part is the listening."

The interesting thing about talking and listening is that it doesn't have as much to do with words, eardrums, and vocal cords as one might imagine! The question is "what is it that human beings do, especially with regard to making decisions or solving problems, when we talk or listen?"

We understand each other through

## COMMUNICATION



but, how do we talk and listen?

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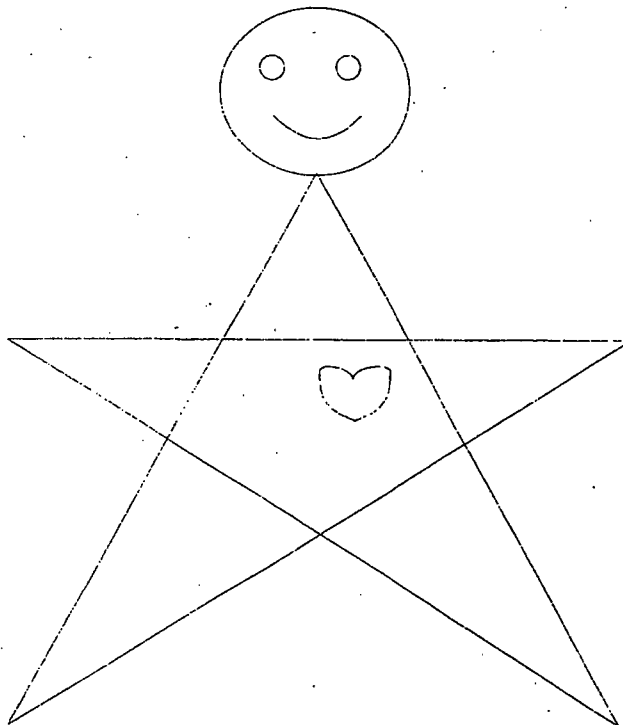
## COMMUNICATION....

involves the orchestration by human beings, either as an individual or as a group, of three types of behavior:

**Words:** language, either verbal or written, utilized to articulate or memorialize information and knowledge about the situation at hand. With reference to decision making or problem solving, there appear to be three (3) categories: 1) how we set forth the situation or issue, 2) words used in the ritual and for affect, and 3) words that memorialize solution and agreement.

**Affect:** non-verbal posture, body language, tone of voice, facial expression, demonstration or lack of emotion. Includes such things as volume, intensity, and timing. Affect has many cultural constraints and connections. Affect often conveys commitment, urgency, intensity.

**Ritual & Practice:** who does or says what and when. Assumptions and principles about how success is accomplished. A learned and taught collection of steps and sequences or protocols of behaviors between and among the parties to the issue. Process or approach.



**WORDS**  
**6%**

**AFFECT**  
**37%**

**RITUAL & PRACTICE**  
**57%**

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## HOW WE COMMUNICATE TO SOLVE PROBLEMS....

**While** humans have been practicing choice making for thousands of years, it is the one human activity which can serve as a focal point for so many disciplines committed to the study of human behavior. With regard to making choices around issues or problems that affect others, especially with regard to human organization, we have been studying and studying and studying. Approaching the subject paradigmatically, it would appear that two significant and identifiable models of choice making or problem solving in the workplace can be defined through the use of the concept of communication as set forth above:

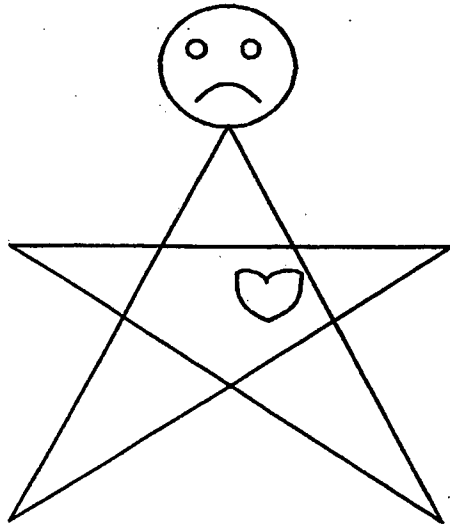
**CONVENTIONAL:** The one we've been working on for the better part of this millennium. It has involved our attempts, in Western Civilization at least, to escape from the making of decisions by the assertion of raw, physical power by translating this power into the concept of RIGHTS. The successful assertion of one's rights has meant the ascendancy or decline of one's needs being met. In the workplace we've been practicing a version of this model for about 150 years. The determination of "rights" has been the consequence of warfare, legislation, and litigation. The "tug of war" in the workplace or elsewhere has been focused upon the determination of where one party's rights end and another party's rights begin. This conventional model is most complimentary to our understanding of how the universe works as explained by the science of the 17th century: act/react or Newtonian.

**EMERGING:** As our rights become established in law or logic and as the world has grown more complex and multivariate (many variables) we are realizing that the conventional model of decision making seems not to be serving us well. Decisions made in the conventional model are challenged to stalemate within it still, while technology, population growth, global competition, and the single sided solutions emerging from the practice of the conventional model (political initiatives etc.) exacerbate rather than resolve conditions. As a consequence another model has been emerging which seems more comfortable with multiple variables. This emerging model seems more complimentary to our understanding of how the universe works as explained by the science of the 20th Century: quantum, field, chaos, and Newtonian. Using this model has won people a few nobel prizes for peace.

As seen in terms of how we now understand COMMUNICATION as the orchestration of three human behaviors these conventional and emerging models (paradigms) can be reduced to these three components. Keep in mind that the purpose of this communication is "a meeting of the minds" or "understanding".



## CONVENTIONAL



### WORDS

About issues: Distributive

In ritual: Constrained

About solutions: Restrictive

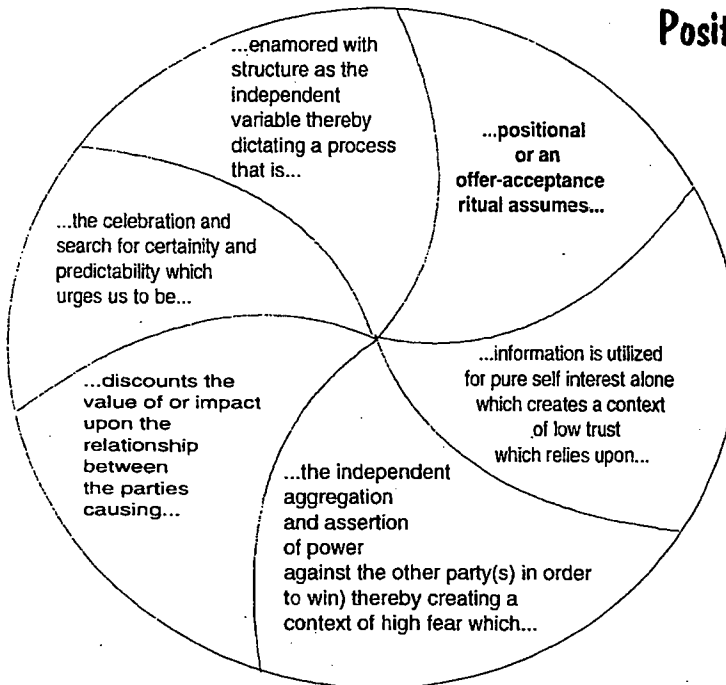
### AFFECT

Confrontational

Adversarial

### RITUAL

Positional:



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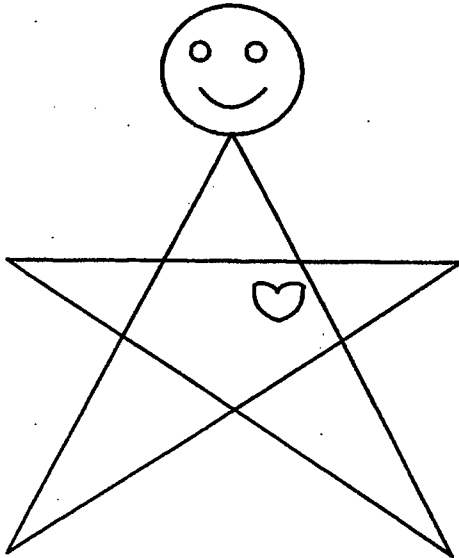
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# EMERGING



## WORDS

About issues/situations: Integrative & Interconnected

In ritual: Creative & Expansive

About solutions: Commitment to  
solution/process/relationship

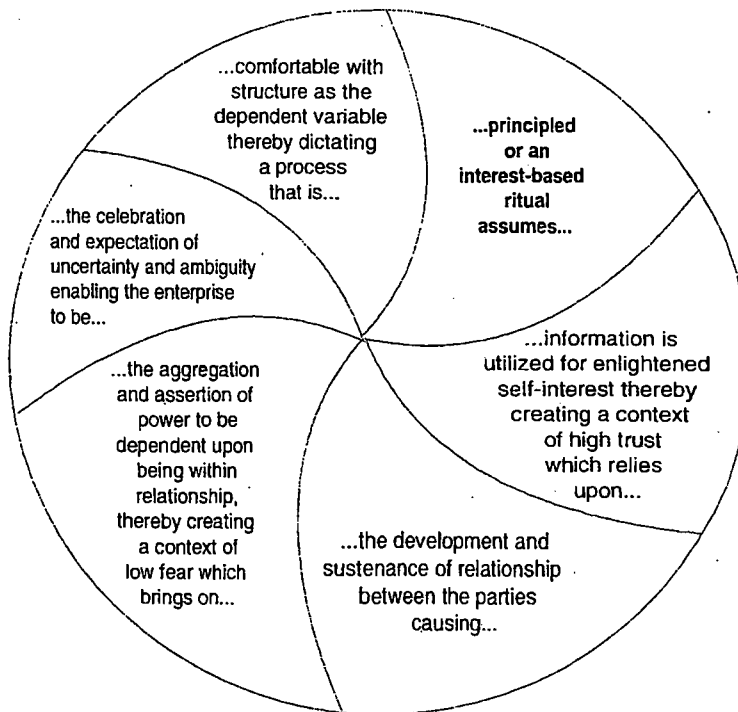
## AFFECT

Cooperative

Collaborative

## RITUAL

Principled:



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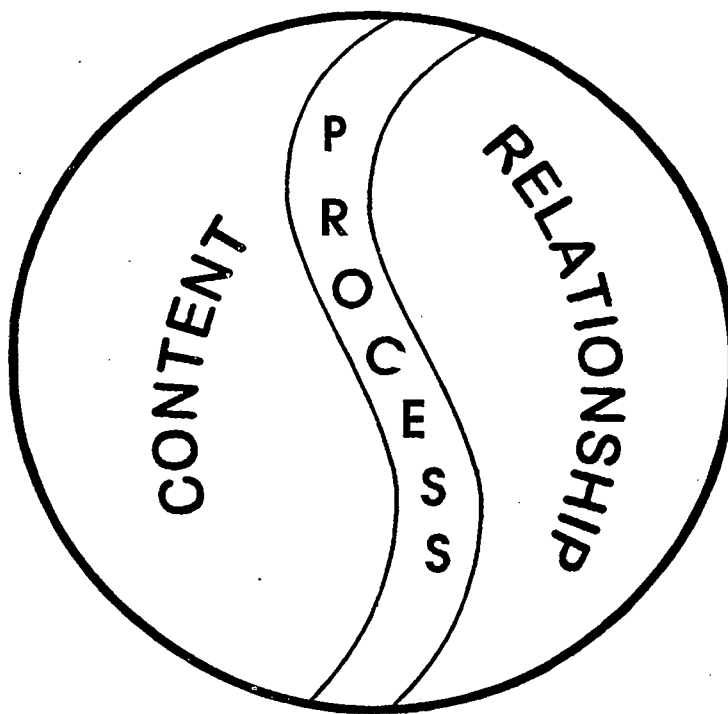
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UNDERSTANDING COMES FROM COMMUNICATION ABOUT:

A SITUATION, AN ISSUE, A DISPUTE, A PROBLEM, AN OPPORTUNITY....

As outlined, regardless of the model used, the communication is about issues, situations, or problems. I personally dislike the word "problem" and like to use the word "opportunity". The negative quality associated with the word "problem" stems from our organizational or structural culture. For example, I'm told that Toyota has banned the use of the word from its culture. Instead, they use the word "opportunity". Semantics aside, when we communicate for the purposes of resolving a situation it is usually also in order to resolve a difference we have regarding the situation.

My colleague, Ian Walke, has introduced me to a convenient way of entering into any analysis of any situation. Ian calls it CPR! I call it "Ian's triage". Any opportunity or situation is susceptible to analysis (taking it apart or disaggregating it) as to these three fundamental components:



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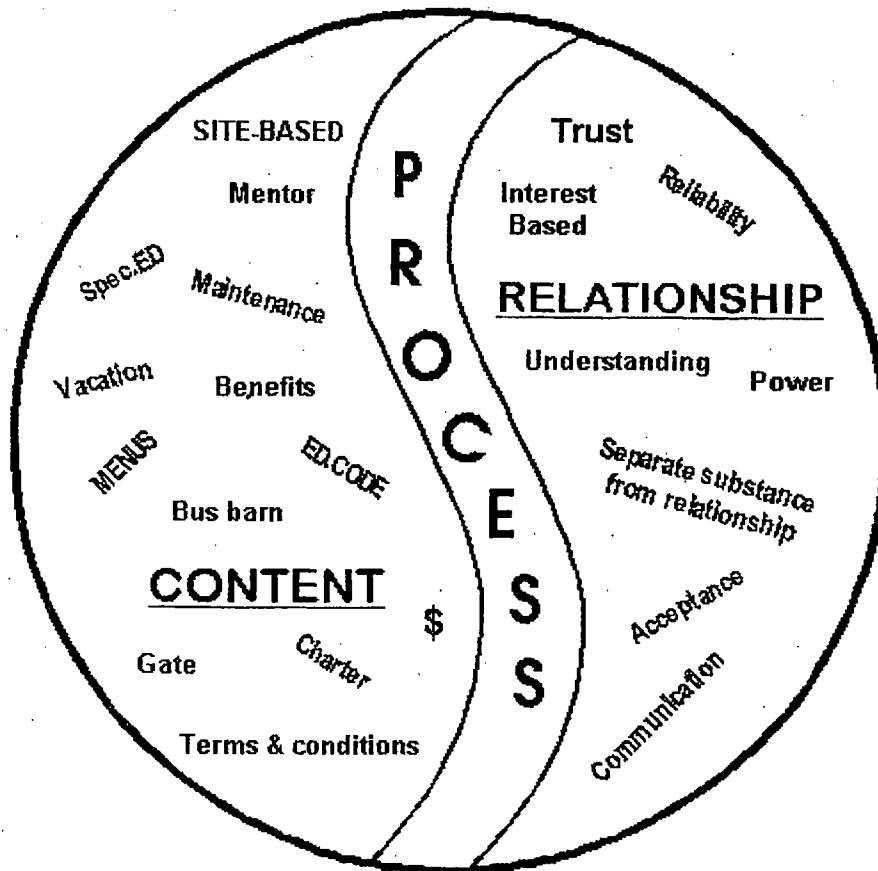
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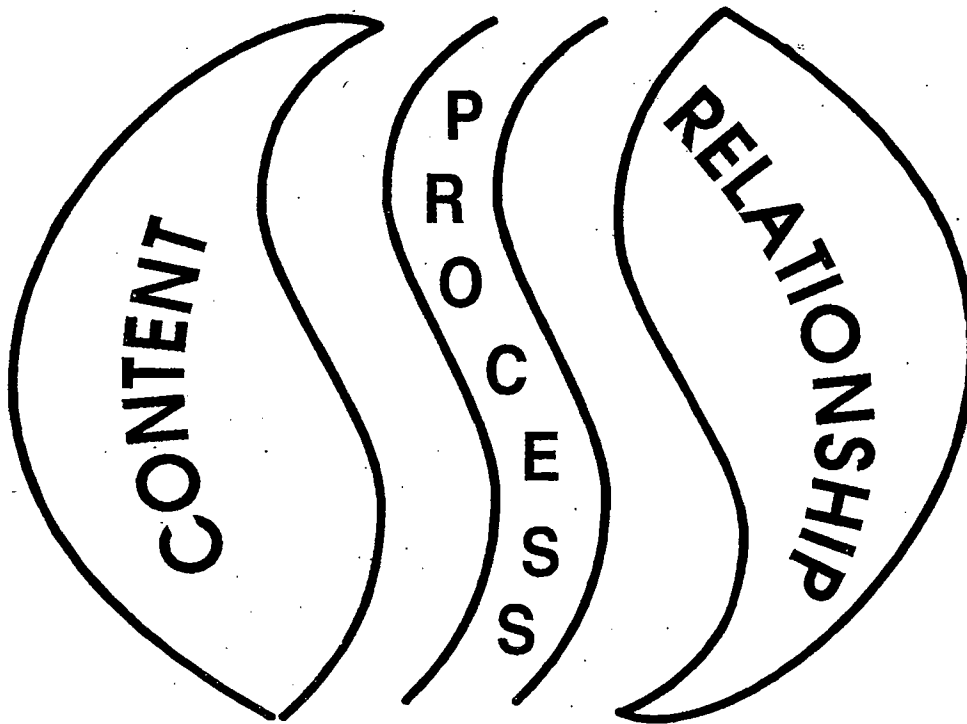
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IN ANY SITUATION THERE ARE THREE FUNDAMENTAL COMPONENTS



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Each of these components, in turn, is susceptible to further disaggregation or scrutiny. Once the elements of each component are understood, diagnosis, prescription, and practice are possible.



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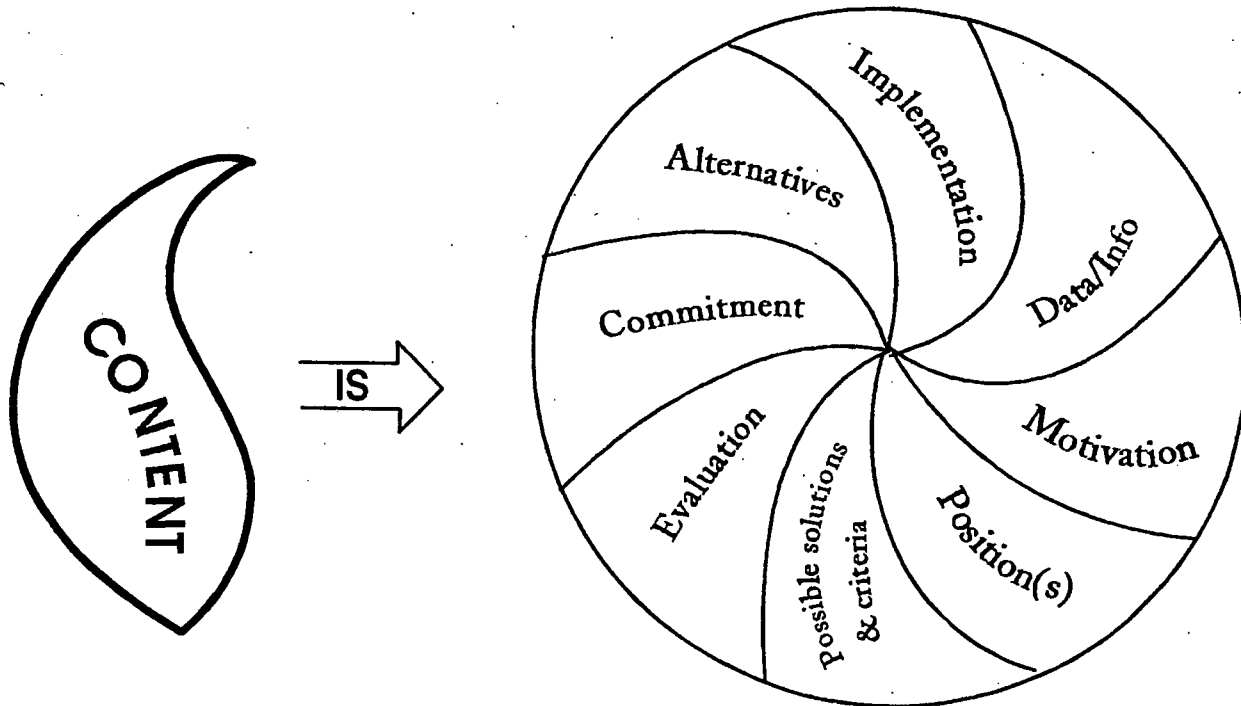
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An examination of each component will reveal further elements of the practice of an interest approach....  
CONTENT.....

Regarding choice or decision making around problems or situations the substantive aspects or content of any issue or problem can be identified and categorized. Think of yourself as the lens of a camera, what is seen when the shutter is opened and the snapshot taken are these:



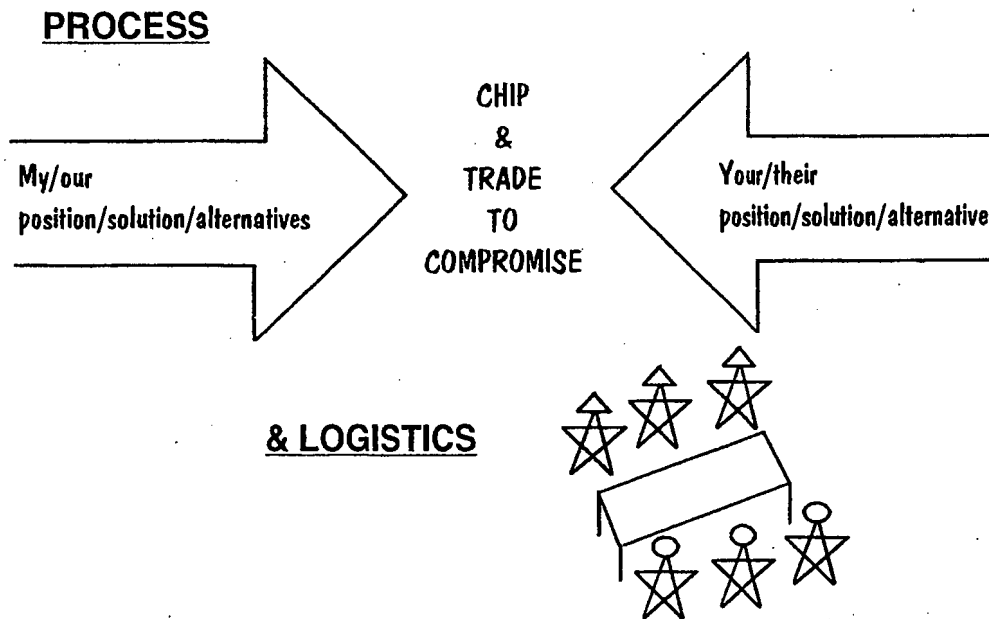
- \*Data or information.....Telling the story with perspectives too
- \*Motive, Need, Interests..... Heritage, culture, Maslow, history
- \*Position.....The solution to which one party is committed
- \*Possible solutions & criteria.....Multiple other prospects for solving but require agreement
- \*Evaluative behavior.....Comparing solutions to motives and measures
- \*Decision/commitment.....Saying "yes" or saying "no"
- \*Alternatives.....What can be done without anyone's agreement or if can't get agreement
- \*Implementation behavior.....Putting the solution into action

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**PROCESS....**

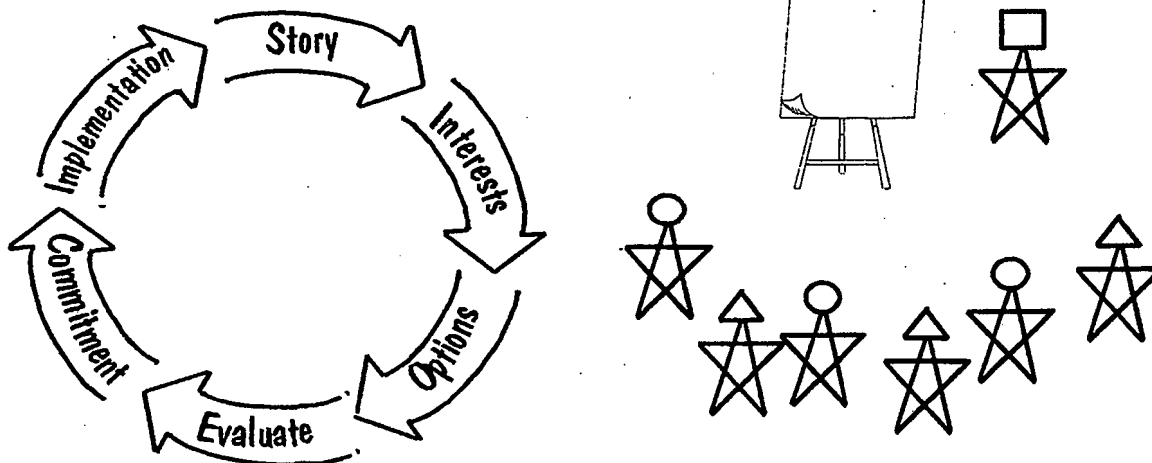
Process or ritual, regarding decision making around problems, presents us with two fundamental approaches:

**the conventional approach:**



**or**  
**the interest approach:**

**PROCESS**

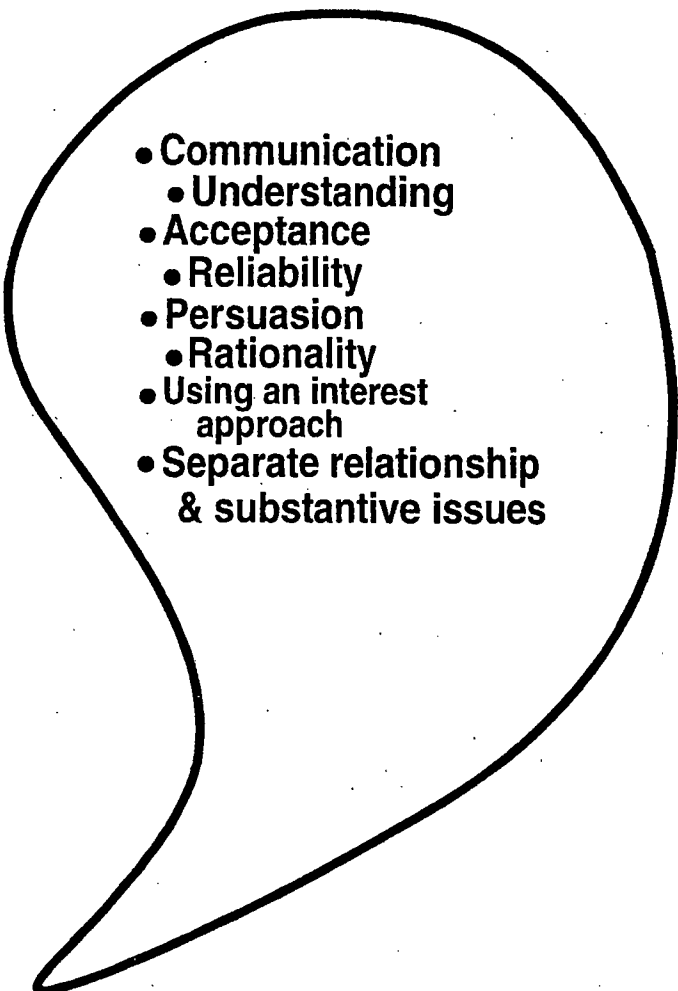


**LOGISTICS**

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## RELATIONSHIP.....

In research and in practice there appear to be a collection of elements which comprise what we know to be reflected in our practice of relationship. Using the work of Fisher and Brown in their book GETTING TOGETHER and from the actual practice of an interest approach in many venues, it would appear that there are eight elements or principles which, if practiced, will produce an effective relationship, even among adversaries. Interestingly, a comprehension of the principles, reflected here, creating an effective relationship is a means of understanding further why the conventional, offer-acceptance model is ultimately divisive, or non-functional as a workplace (community) building tool. One reason for this is that the conventional model discounts the importance of relationship as a variable whatsoever in problem solving/decision making.

- 
- Communication
    - Understanding
  - Acceptance
    - Reliability
  - Persuasion
    - Rationality
  - Using an interest approach
  - Separate relationship & substantive issues

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## **ELEMENTS OF A POSITIVE WORKING RELATIONSHIP**

- ◆ Communication
- ◆ Understanding
- ◆ Acceptance
- ◆ Reliability
- ◆ Rationality
- ◆ Persuasion, not Coercion
- ◆ Using An Interest Approach
- ◆ Separate Substance and Relationship

### **COMMUNICATION....**

Always assume there is a need to talk--consult before deciding or ACBD; communication means BOTH ways--so remember to listen (the most important part of communication); and avoid mixed messages--be explicit.

### **UNDERSTANDING....**

Learning how the other side sees things; exploring their thinking (se may not know how little we actually do know); and starting by asking what they care about. Knowing that an absence of interest in your issue does not mean an absence of interest in the relationship.

### **ACCEPTANCE....**

Dealing with the other party seriously even though we differ, assuming that they are legitimate and competent treating with respect; give weight to and not evaluate their interests/motives; listening to what they say DOES NOT imply agreeing with it; asking their opinion DOES NOT mean we're bound to follow it.

### **RELIABILITY....**

Being wholly trustworthy, but not wholly trusting; realizing that there must be some reason to mistrust us (it's at least 1% correct; seeing ourselves as they see us; encouraging them to be unreliable; incorrectly evaluating their conduct; and basing trust on an analysis of risk not on a moral judgment. Remember the rule of the subjective double standard.

### **RATIONALITY....**

Balancing emotions with reason; being aware of the other party's emotions and of our own; acknowledging emotions, but not reacting emotionally; and preparing for emotions before they arise.

### **PERSUASION, NOT COERCION....**

Negotiating side by side; the win/lose treadmill ruins relationships; attack problems, not people; staying open and delaying commitment; avoiding "either-or" choices; focusing on what is fair; staying aware of what each can do if we fail to agree; and knowing that having a reason for a decision makes it legitimate while leverage, power, or coercion does not.

### **USING AN INTEREST APPROACH....**

Starting with the problem and its underlying driving forces or interests rather than starting with solutions or positions helps the parties to a relationship develop a format process or context within which to bring all these principles to life.

### **SEPARATE SUBSTANTIVE ISSUES FROM RELATIONSHIP ISSUES....**

Acknowledging and dealing with the "elephants" directly rather than using substantive items and a concerns to do this; identifying relationship issues DOES NOT equal a judgment of them; identifying relationship issues DOES NOT equal accuracy, just identification; state YOUR TRUTH about the issue, help the other party to state THEIR TRUTH, and taken together the full and accurate story can be determined.

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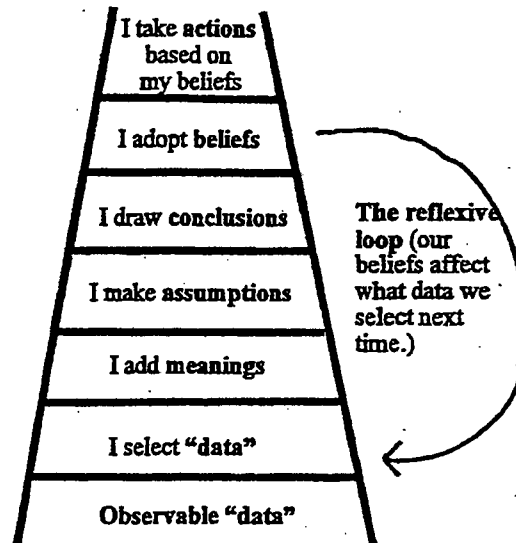
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# THE LADDER OF INFERENCE

## The Origins of Conflict in How We Interpret Experience

The origin of conflict is often rooted in our inability to recognize the difference between what we actually **know** about our experience, and what we have **added** to our experience -- the internal and external components of our beliefs.

When two of us are engaged in a transaction, the only actual data we receive is what each of us **sees and hears**, or otherwise receives through our other senses. What we add is our own **meaning, assumptions, conclusions and beliefs** and then **feelings in response to our beliefs** -- all of which lead to our responses. Our belief systems, then, become the screen through which we filter our experiences. We unconsciously select the data that we choose to pay attention to.



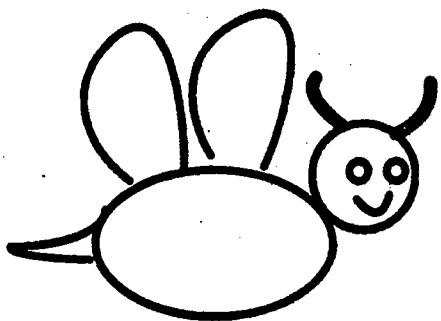
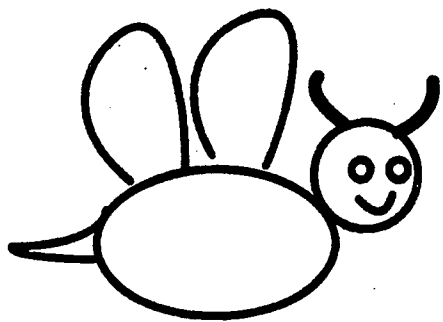
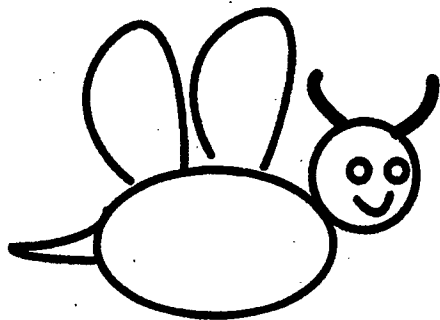
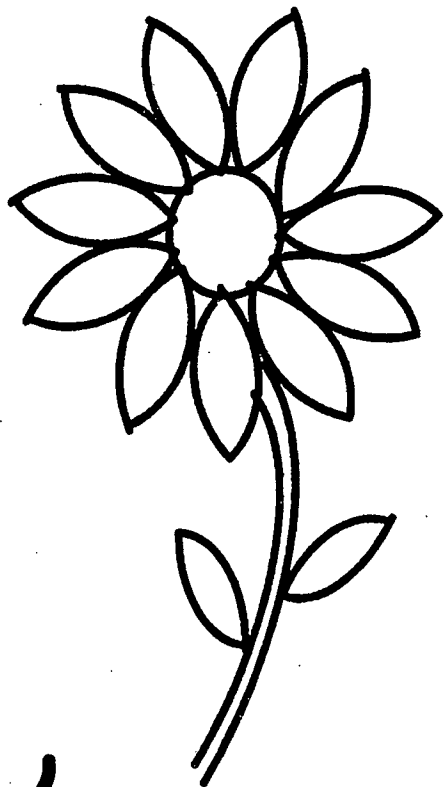
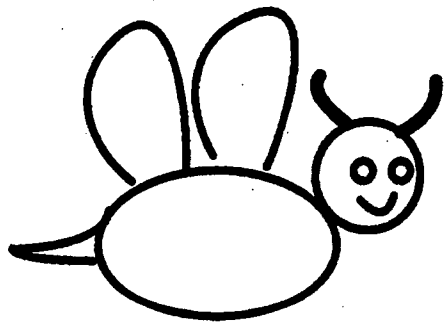
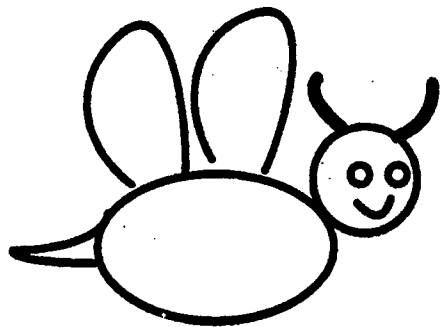
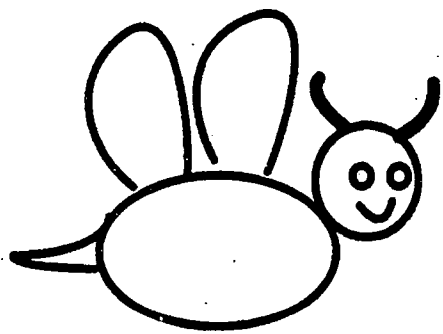
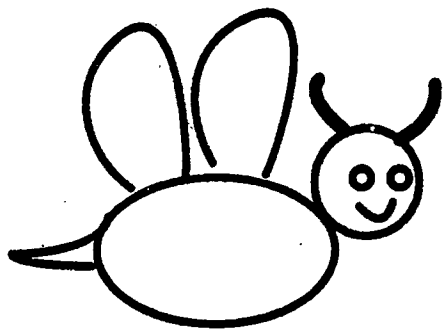
## The Ladder of Inference

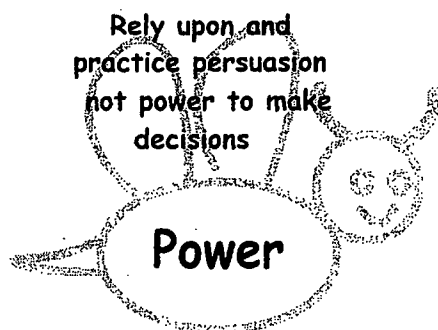
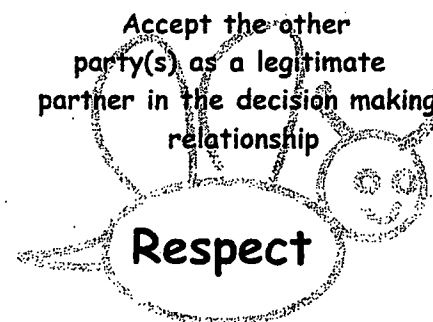
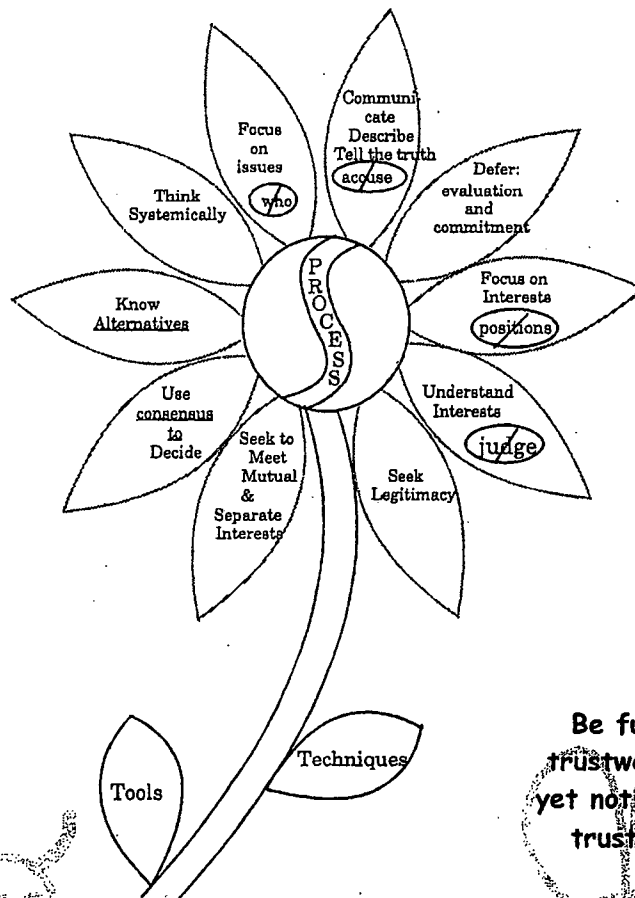
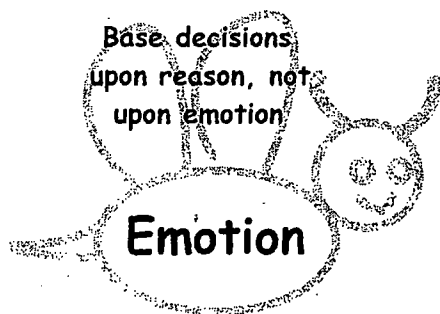
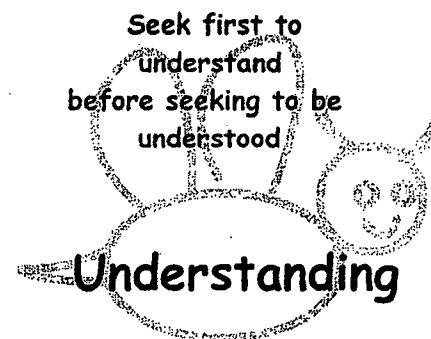
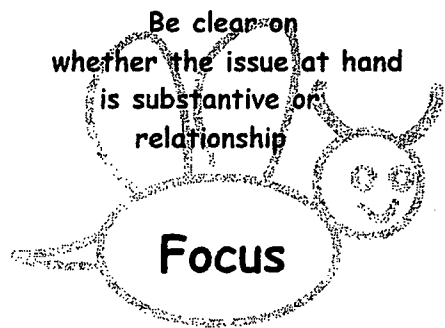
In *The Fifth Discipline Fieldbook* by Peter Senge, Rick Ross describes this mental phenomenon as the "ladder of inference."

For example, suppose I am talking to a person. He interrupts me repeatedly. I decide that he does not want to hear what I have to say. I feel slighted. I judge him to be close-minded. I get angry and walk away.

I have walked up the ladder of inference. The data I observed was that he started speaking before I finished. I assumed he did not want to listen. I decided that he was close-minded and **intended** to slight me. Then I acted on my conclusions. However, he may have just been enthusiastic, unaware of his conduct and not intending to give offense. Most likely, in future dealings with this person I will look for further "evidence" that he is close-minded.

We cannot live without the ladder of inference. We cannot function in life without adding meaning, making assumptions or drawing conclusions. The trap is to believe that our conclusions and assumptions are "the truth."





## **COMMUNICATION STYLES**

### **THINKERS**

### **SENSORS**

### **FEELERS**

### **INTUITORS**

## **The Process....**

In order to bring the following, elegant principles

- \* Focus on Issues, not personalities
- \* Describe, don't accuse
- \* Tell the Truth
- \* Defer evaluation
- \* Defer Commitment
- \* Focus on Interests, not positions
- \* Don't judge interests
- \* Attempt to meet both separate and mutual interests
- \* Develop Legitimacy
- \* Use consensus
- \* Be systematic and celebrate learning

of an interest approach to life, we must practice them using elements or steps, techniques and assumptions in a sequence that is also dynamic.

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## UNDERLYING PRINCIPLES...

In addition to the fundamental principles which are utilized when undertaking a consensus approach to decision making, and outlined in the attached supporting material, there are a collection of central concepts or assumptions which the parties are asked to adopt and work toward bringing to life.

**ENLIGHTENED SELF INTEREST:** Individuals and groups of individuals tend to pursue self interest. The most comfortable and widely practiced means of maximizing self interest is to maximize one's self interest without regard to the impact upon the self interest of others. The approach herein outlined is built upon the adoption of a contrary view or assumption: that *one's self interest is maximized by engaging in the conscious effort to maximize the self interest of the other party to the relationship.*

**CPR:** Any situation presented to a group of persons or institutions for purposes of making a decision or reconciling differences can be disaggregated into three fundamental component parts: Content elements; Process elements; and Relationship elements.

**CONTENT:** The *what* of the situation such as money, time, assets, opinions, number(s), scope, tangible things, etc.

**PROCESS:** The *how* of the decision making or reconciliation of similar and different interests or needs and demands. Usually a choice between decision making by accumulating power and then using it versus developing creative solutions which meet mutual and separate interests by consensus. Process is a quick reference to the interactive behavior of the parties to the situation.

**RELATIONSHIP:** The *interdependence* of the parties to the decision making. This references such things as communication, understanding, respect, power, emotion, etc. Relationship is a quick reference to the condition of the interactive behavior.

**SYSTEMIC THINKING:** The realization that any situation presents multiple variables which are interconnected and interdependent is a fundamental tenant of systemic thinking. Parties are asked to contemplate and identify these when describing the situation. The parties are also asked to apply this thinking to the implementation of any "solution" to the situation presented. Situations are approached more as "puzzle solving" than as "problem solving".

**LEGITIMACY:** The ownership of the result is sought by all. In order to insure that the agreements (meeting of minds) accomplished by the parties are actually brought to life a reliance upon participation and reason rather than exclusivity and the assertion of power and coercion is sought through this process.

**UNDERSTANDING:** The acceptance that while all parties may be speaking the same language, they each come from a different culture such as the culture of labor/merchant/consumer/management. As a consequence of this cultural perspective each participant thereby attributes different meanings to the same words. The effort to have a common vision of the future, a common definition of terms, and a capacity to view the world as the other party(s) see it is undertaken. A consequence of communication, understanding is the cement of the various components to the solutions reached.

**CREATIVITY:** Sometimes the product of tension, sometimes the product of enlightened process, the utilization of creativity is required in order to discover possible solutions for meeting multivariate needs and content components. Patience, gestation time and perspective are helpful attributes in the process.

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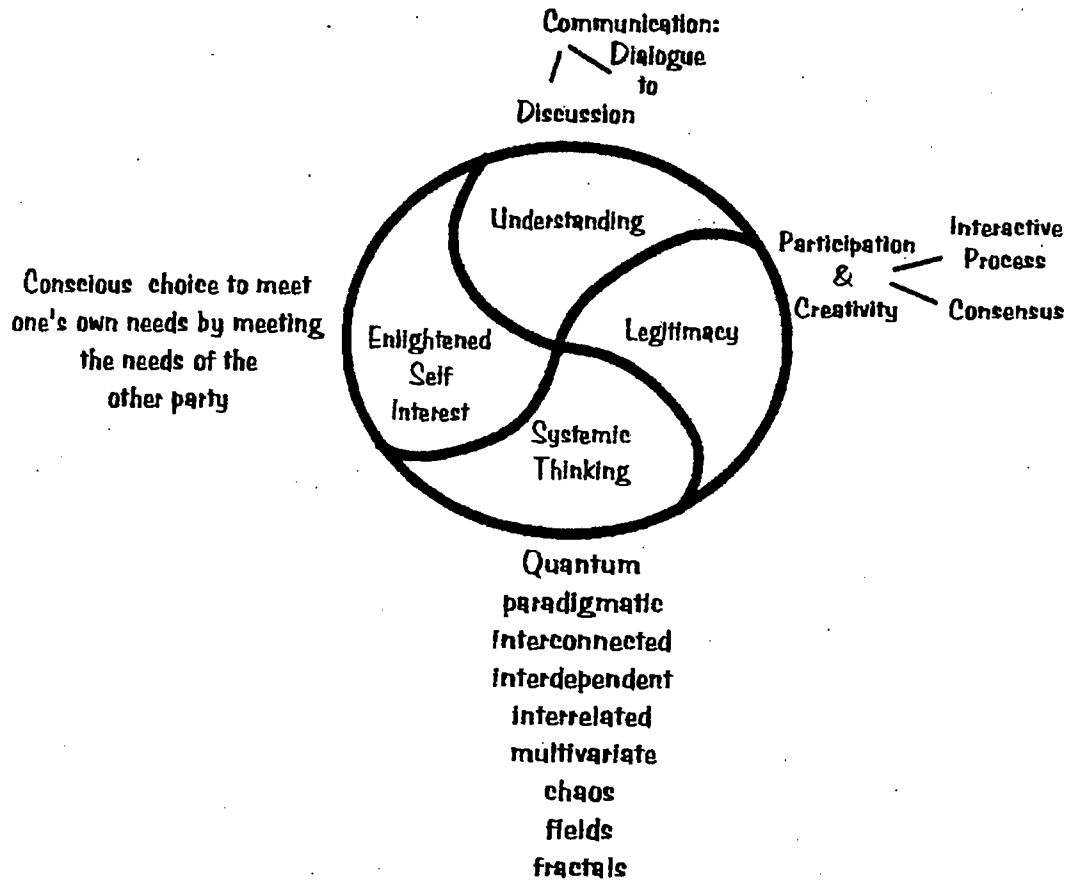
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## ESSENTIALS of the IBA Decision Making Model

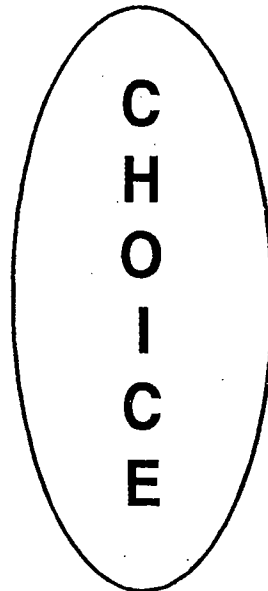
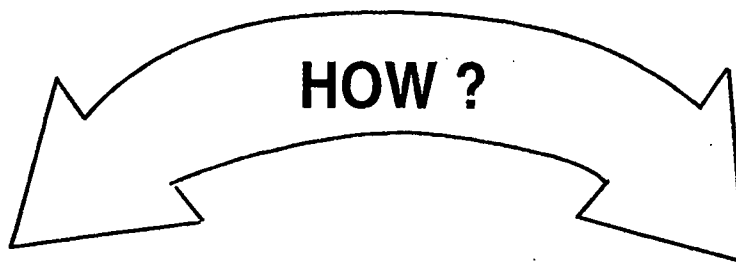


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OF SELF-INTEREST**

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# Debunking Darwin, Game Theorists Find Nice Guys Can Finish First

By K. C. Cole  
Los Angeles Times

As the nation watches its leaders butt heads on issues such as Bosnia, the budget and the future of the environment, it is reassuring to think that such ugly conflicts are, after all, nature's way.

According to conventional wisdom, winning strategies are anchored in self-interest. Darwin's idea of survival of the fittest suggests that only the meanest, most competitive, most selfish individuals will make it to the top of the evolutionary heap.

Mathematicians, however, know differently. For at least two decades, specialists in a field of mathematics called "game theory" have held as a primary tenet that nice guys can and frequently do finish first.

According to these mathematicians, who have studied the nature of winning strategies — which is what game theory is all about — the parties to the nation's large-scale political disputes often shoot themselves in the foot, strategically speaking, ensuring the worst possible outcome for everybody.

"You get into these situations where everyone loses," said New York University political scientist Steven Brams. "It's a pathology. Game theory gives you a very clear view of the problem, so you can understand how they can blow it."

## A Winning Strategy

Game theory has less to do with board games, such as chess, and more to do with strategy — anything from bargaining for a raise to budget negotiations or disarmament. Essentially, the theory assigns numerical values to various strategies in well-defined conflicts, making it possible to calculate winners and losers.

Last year, the field finally received a much welcomed stamp of approval from the Nobel Committee when the economics prize was awarded to two Americans and a German for what amounted to works of pure mathematics.

During the past decade, game theorists have concentrated on coming up with workable ways to get out of conflicts. And — perhaps surprisingly to many in the current, confrontational, generation of politicians — the strategies that stem from the most up-to-date mathematical research sound a lot

like old-fashioned homilies: think ahead, cooperate, do not covet your neighbor's success and be prepared to forgive those who trespass against you.

Game theory groups similar kinds of conflicts into well-defined categories. The federal budget deadlock, for example, fits into a category that mathematicians — and children — call games of "chicken."

Chicken is a familiar game to anyone who saw James Dean almost (but not quite) drive his car over a cliff in "Rebel Without a Cause" or who lived through the Khrushchev-Kennedy standoff during the Cuban missile crisis. The characteristic of these games is that the person who backs down first loses, but refusing to back down at all may risk losing even more.

"That's what we had a couple of weeks ago," said Brams. "It's total impasse. Both die. Government shuts down."

## Temptation to Cheat

The logical problem in such games is that the best outcome for both players would come about through cooperation — each agreeing to swerve away from the edge just before either car goes over the cliff — but each player has a strong temptation to try to cheat and get the better of the other guy.

Another type of game that theorists study is the "prisoner's dilemma" — a scenario familiar to anyone who has watched a television cops show. In the prisoner's dilemma, two partners in crime are kept in isolated cells. Each is told that if he blows the whistle on the other, he might be able to go free. If he remains mute, each prisoner knows, the authorities might not have enough evidence to convict him — unless, of course, the other prisoner rats on him first.

What strategy works best — keep silent or strike a deal?

"There's a lot of motivation to do something that's good for you that's bad for your neighbor," said Claremont College mathematician William Lucas.

To try to determine what the best strategies are for playing such games and winning, game theorists have run elaborate computerized simulations. To almost everyone's surprise, the most successful strategist turns out to be an ingeniously simple program created by Anatol Rapoport at the University of Toronto. Called Tit for Tat, the program's first move is always to cooperate. After that, it simply echoes whatever its opposition does. If the opposition cooperates, Tit for Tat cooperates. If the opposition defects, Tit for Tat retaliates in kind.

In this sense, Tit for Tat embodied both biblical injunctions: an eye for an eye, and the Golden Rule. Or as William Poundstone summed it up in a book about clas-

sic game theory problems, the program's message is: "Do unto others as you would have them do unto you — or else!"

## A 'Nice' Program

By not ever being the first to defect, Tit for Tat was what Robert Axelrod of the University of Michigan called a "nice" program. As it turns out, most of the winners in computer simulations that Axelrod has run have been nice; most of the losers were not. Tit for Tat could also be forgiving — that is, even after the opposition defected, Tit for Tat would occasionally give cooperation another try. The lesson, says Axelrod, is "be nice and forgiving."

Brams has made strides in making game theory more realistic. His recently published "theory of moves" takes game theory from a static series of one-on-one contests to a dynamic series of moves and counter-moves that starts from a realistic status quo.

For example, it becomes clear

that the game of "chicken" in a real world situation would never lead to the neat cooperative outcomes that emerge in the Tit for Tat program. Think of Hitler, or Saddam Hussein. If one person always cooperates, then the "bully" has no incentive to change his strategy.

Theory of moves changes the rules so that players can look ahead. Posturing, and looking ready for a fight, could be part of such a far-sighted strategy.

Lucas thinks Theory of Moves is especially good at getting players out of head-butting games of chicken, like the budget stalemate. "If you know that you're going to be playing very serious games very soon, (not cooperating) is going to create great problems in the future."

So does game theory pave the way to mutual cooperation and happiness ever after for everyone? Sadly, the unanimous answer of mathematicians seems to be no.

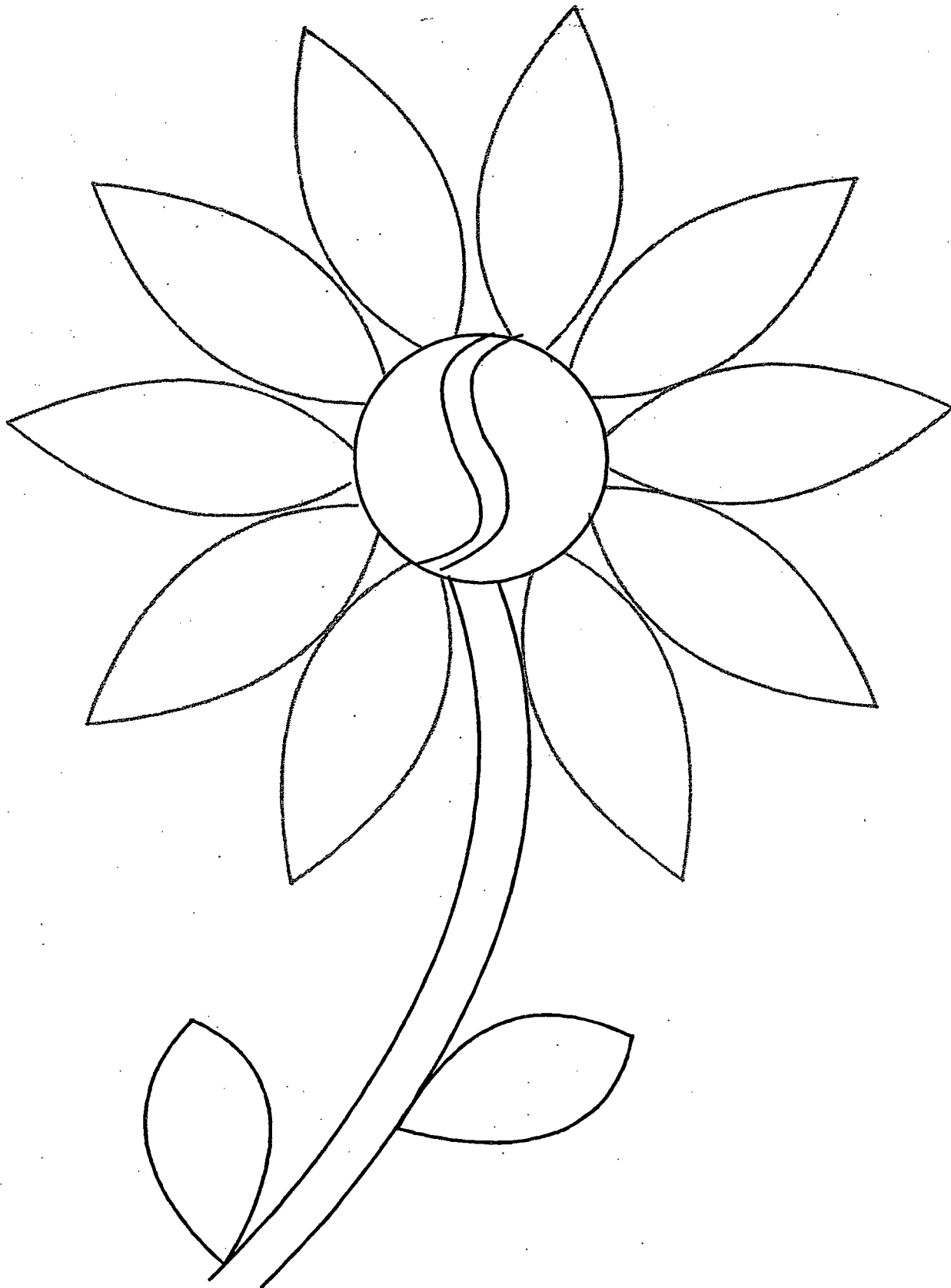
"It would be wonderful if it worked," said Keith Devlin, a mathematician at St. Mary's College of California. "You can't take the results of game theory and apply them to a real-world situation. Life's relationships are too complex. (Game theory) only gives you a one-dimensional view of a multi-dimensional problem."

As Devlin points out, game theory's two-player, two-strategy games are no more realistic than the geometer's perfect circles.

Even John Harsanyi, the University of California at Berkeley economist who won the Nobel Prize for his work in game theory last year, is wary of attempts to use it to prescribe remedies for human conflicts. But, he notes, although game theory cannot provide simple answers to life's questions, it does, at least, clarify the issues.

"What game theory does is suggest what the different possible strategies are that have any hope of being good, and also gives you some hints at how you can compute value."

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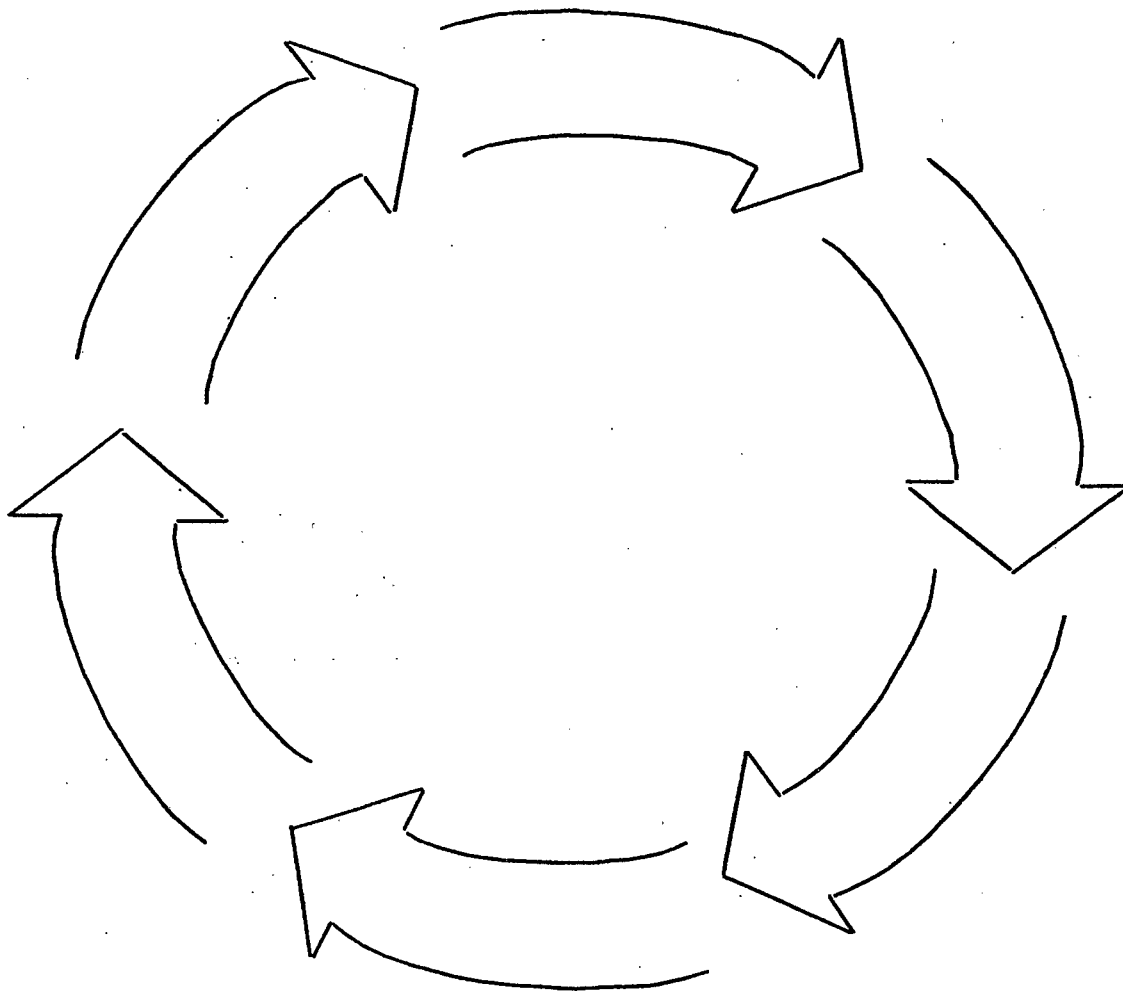
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Of particular focus for an interest approach to problem solving are the means or tools we use to bring a very elegant collection of negotiations principles to life. The essential approach is to engage in a sequential yet dynamic application of elements and techniques to the "problem" or "opportunity".



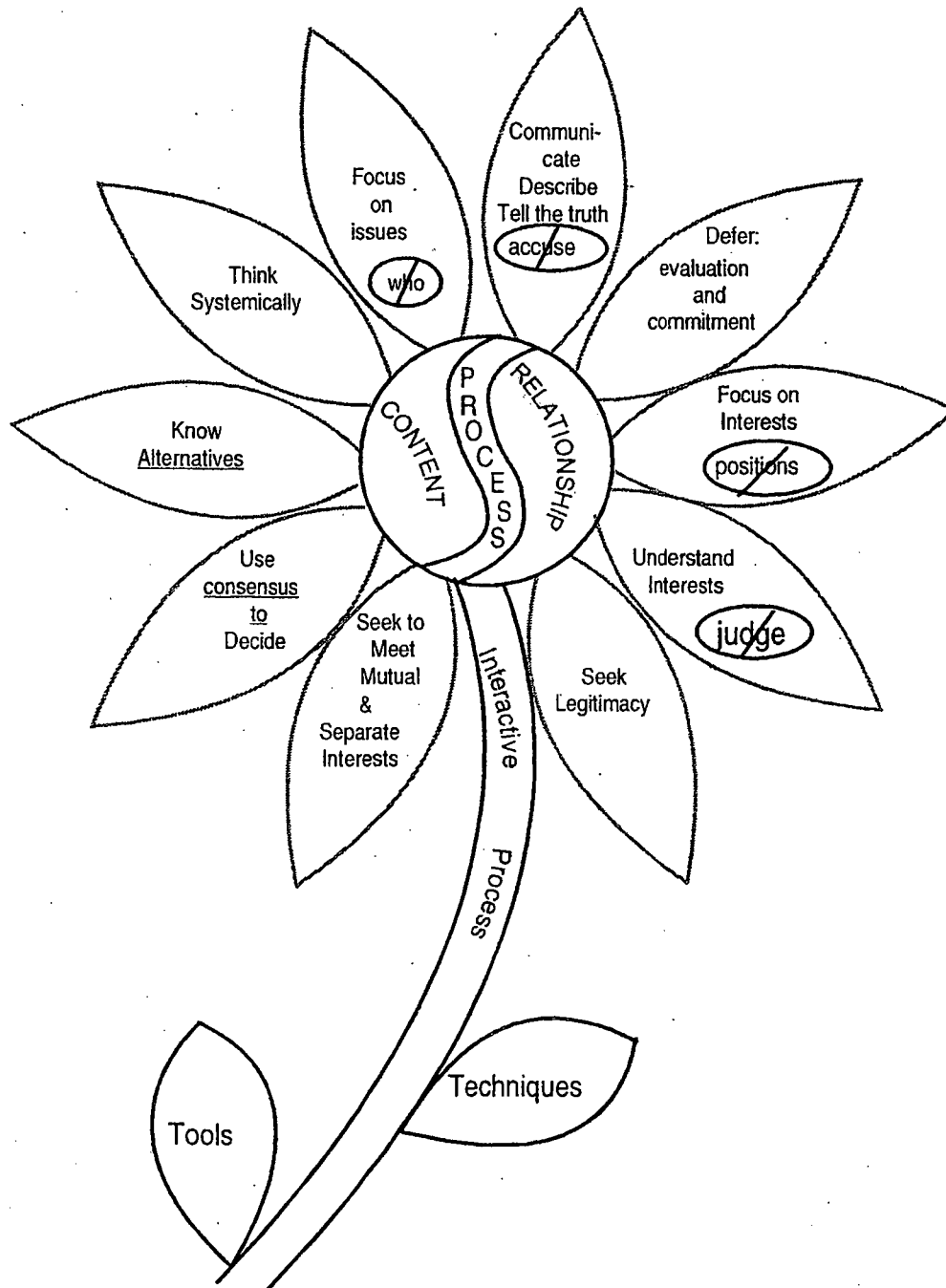
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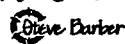
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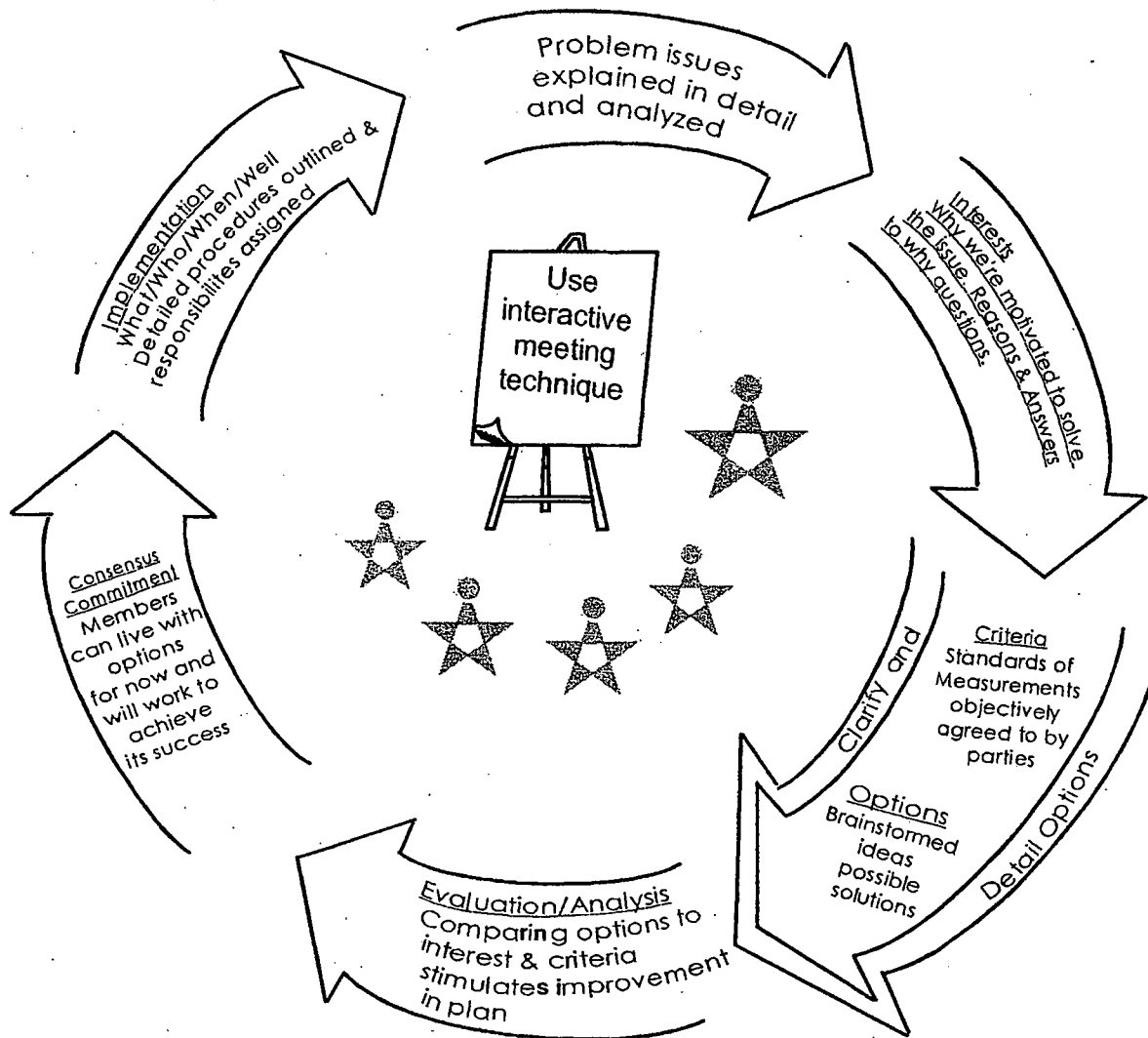
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## INTEREST-BASED PROBLEM SOLVING ELEMENTS in SEQUENCE



**NOTE:** While sequential, this approach is also dynamic.  
As elements previously considered emerge later,  
participants return to previous step and "start over".

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Based upon the work of Roger Fisher, Bill Ury, Jerome Barrett, Scott Brown, Doyle and Strauss

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## **SOME TERMS OF ART....**

**INTERESTS** The motives of the parties to the negotiation. What people or groups need. Derived and reflective of heritage, culture, and stories of the group. Can even be arranged in a hierarchy or priority as with the research of Maslow. A condition sought, a state of being.

**OPTIONS** Possible solutions. In order to operationalize will need the agreement of the parties to the negotiation. The work product of brainstorming without commitment or evaluation. The "other" right answers per John Glaser.

**CRITERIA** Objective standards of measurement. When agreed to by the parties, serve to compare against options. Work product of brainstorming and research. Often externally derived or imposed by control agencies or funding sources. Presenting practitioners with a paradox in that they are also options. There is no one "magic" criteria for any issue.

**ALTERNATIVES** What either party to a negotiation can do without the agreement of the other. What can be done in the event that no agreement can be reached. Feel like threats when perceived by the other party. Don't take your gun out of the holster unless you intend to use it.

**POSITIONS, DEMANDS, PROPOSALS** The solution to which one party is committed. Due to the nature of our familiarity and comfort with the conventional model of offer-acceptance negotiations, these often invite evaluation... usually in the form of judging the interests of the party presenting the proposal.

**EVALUATION** The comparison of possible solutions (options) to criteria, interests, and the issue or problem. "How well does this option meet our mutual and separate interest, fit the criteria, and solve the problem." This exercise is accomplished without commitment.

**CONSENSUS** When the parties to the negotiation can say that at the very least the option is one that they can live with and support for now. Note that so long as a party to the negotiation is saying "no" consensus doesn't exist. However, the naysaying participant is obliged to explain "why", so that the naysayer and other participants can continue to focus on creative solution designing.

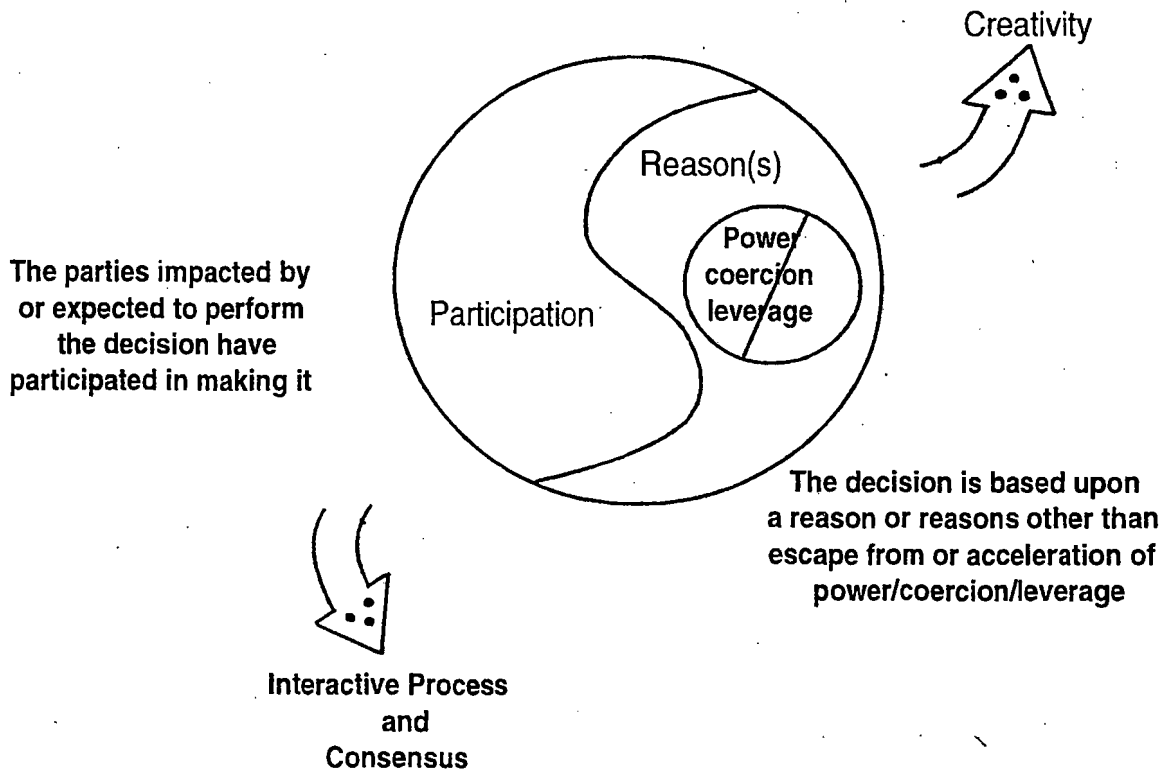
**INTERACTIVE MEETING** A facilitated meeting of a group of people. Utilizes a non-conventional format in setting and process.

**BATNA** The Best Alternative To a Negotiated Agreement

**LEGITIMACY** The psychological condition of ownership or support for a decision. A consequence of using reason(s) and participation rather than power, coercion, or leverage as the basis for a decision.

# LEGITIMACY

The willingness of parties to live within/abide by a decision depends upon the "legitimacy" of the decision itself. The probability that parties will live within a decision can be improved if the decision favors the two facets of legitimacy:





# CREATIVITY

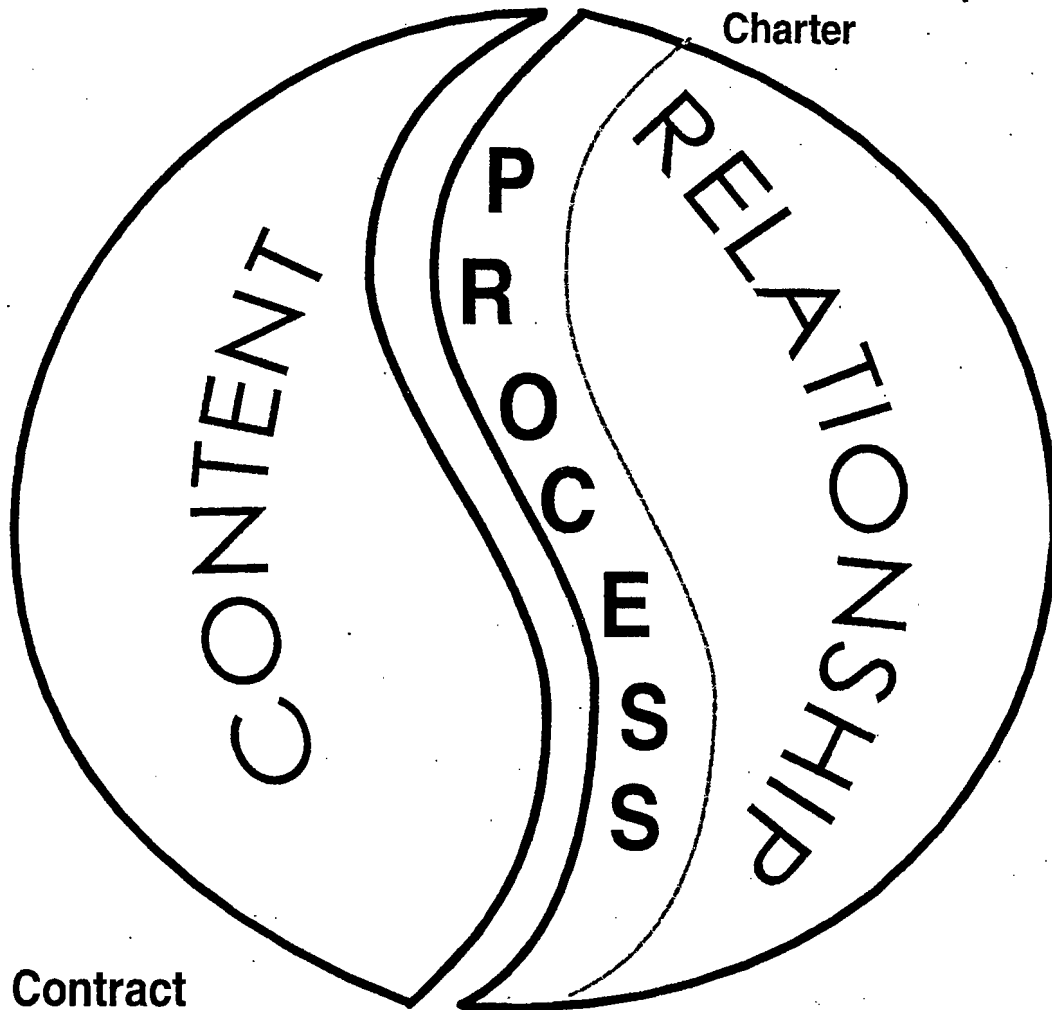
- ☆ Creative options are how \_\_\_\_\_  
divergent interests are reconciled
- ☆ Decisions are invented before they are made
- ☆ Creativity is an activity that human beings enjoy
  - interestingly; creativity, feels like, is fun, surprise, laughter, love, delight, the *ah ha!*
  - the physiology of laughter is that it releases tension....  
Tension is the product of interests in conflict
- ☆ Start with brainstorming; push it until the *ah ha's*  
start to happen; go beyond the *ah ha* to exploring  
them in combination and detail
- ☆ When evaluating and developing consensus  
and implementation, expect the creativity to continue.  
Enjoy this.

## ☆ Resources:

- ✓ Thomas F. Crum, THE MAGIC OF CONFLICT  
Simon & Schuster, 1987
- ✓ Arthur Koestler, THE ACT OF CREATION  
Penguin Books, 1990
- ✓ Jim Adams, CONCEPTUAL BLOCKBUSTING  
Addison-Wesley, 1986 and  
THE CARE & FEEDING OF IDEAS  
Addison-Wesley, 1986
- ✓ Edward de Bono, THE SIX THINKING HATS  
Little Brown & Co., 1986
- ✓ Joel Barker, THE BUSINESS OF PARADIGMS  
Harper-Collins, 1992  
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## The "Complete" Look of Agreement

- Trust Agreement
- Compact
- Process & Relationship Charter



- Contract
- M.O.U.
- Collective Agreement

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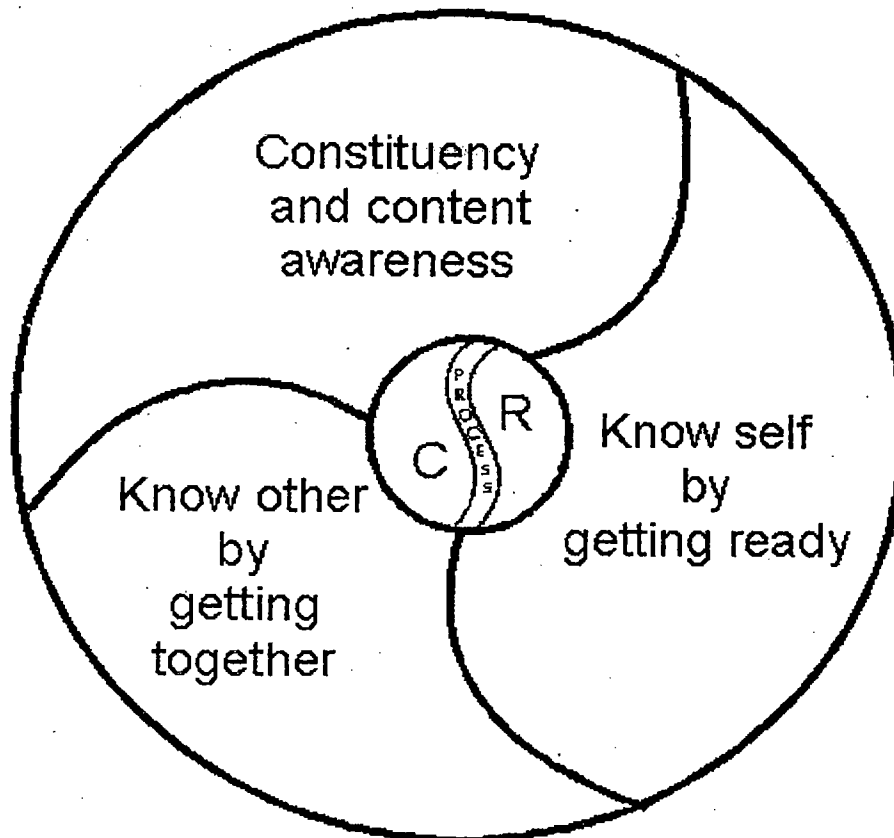
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ALL OF WHICH OCCURS IN AN EVEN BIGGER SETTING.....

The larger context of our practicing these principles and tools must be contemplated.



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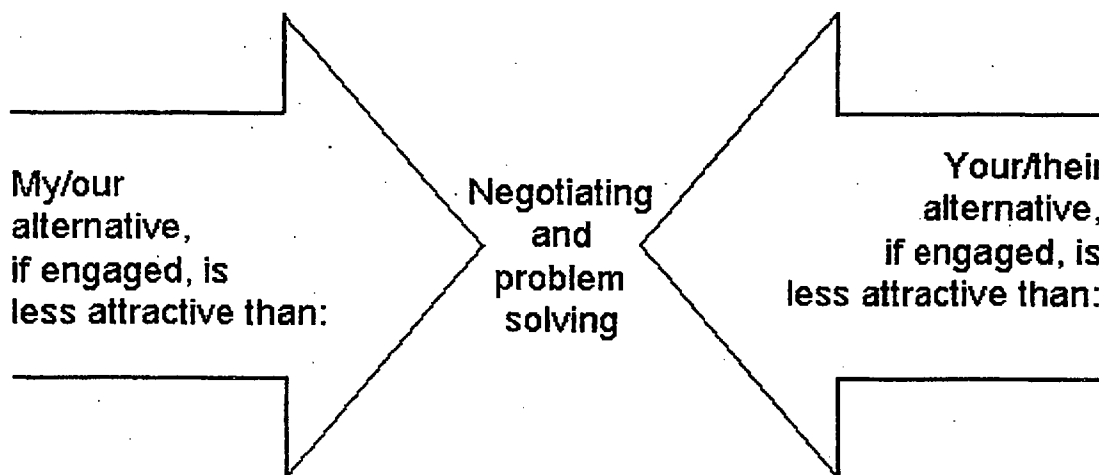
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It is in this larger context that we discover another, fundamental principle of an interest approach to problem solving:

### THE ALTERNATIVE

By definition, an alternative is something which one party to the problem solving can do without the agreement of the other parties to the problem or what any party can do if an agreement cannot be reached. The alternatives must be evaluated for their impact if actually acted out.



Knowing the alternative and the prospects of the reaction (their alternatives) by the other parties to its use serves as an ultimate measuring device for the agreement or solution which emerges from an interest approach.

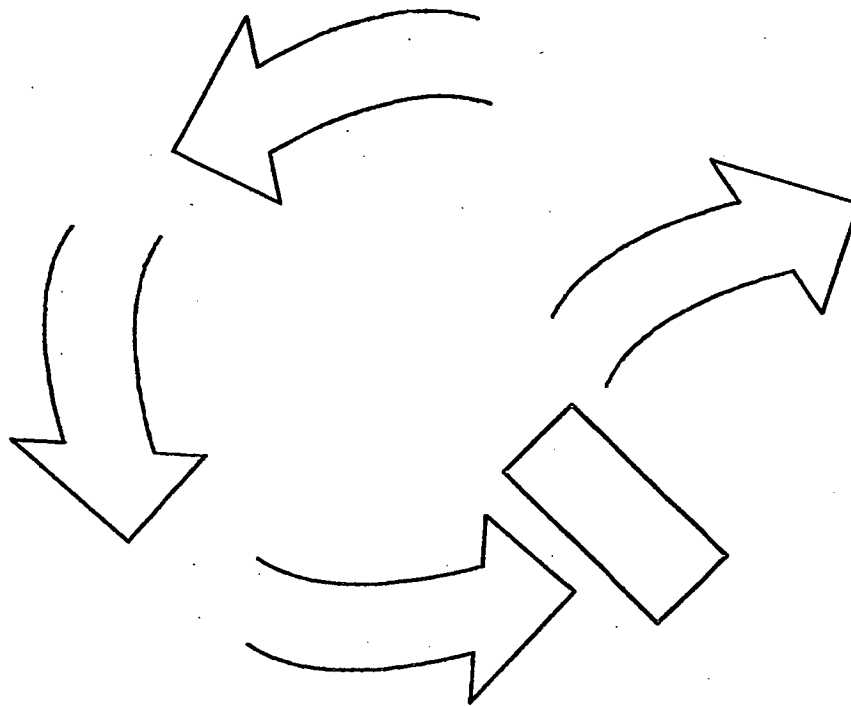
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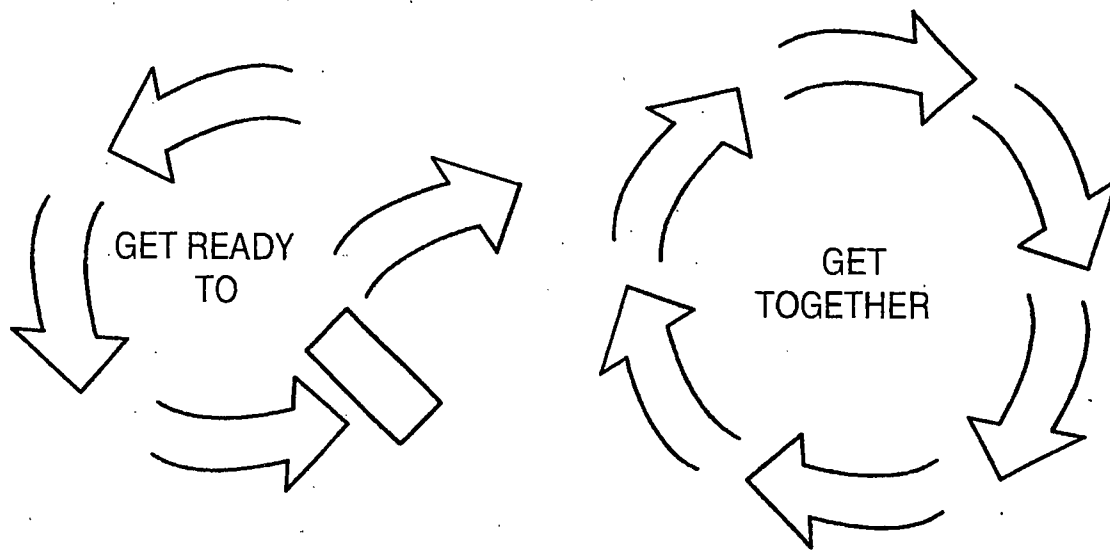
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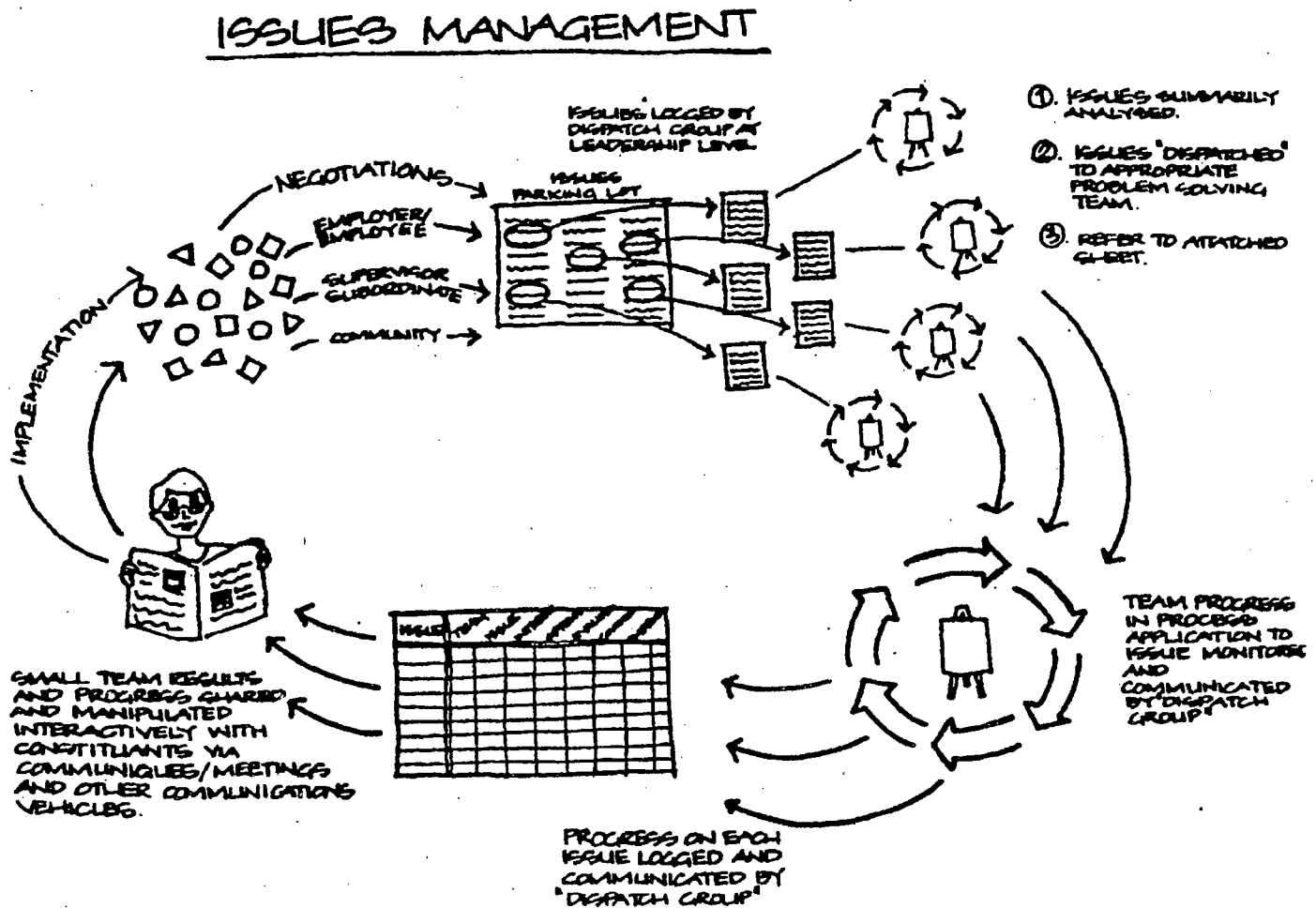
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## Issues Management Flow Chart



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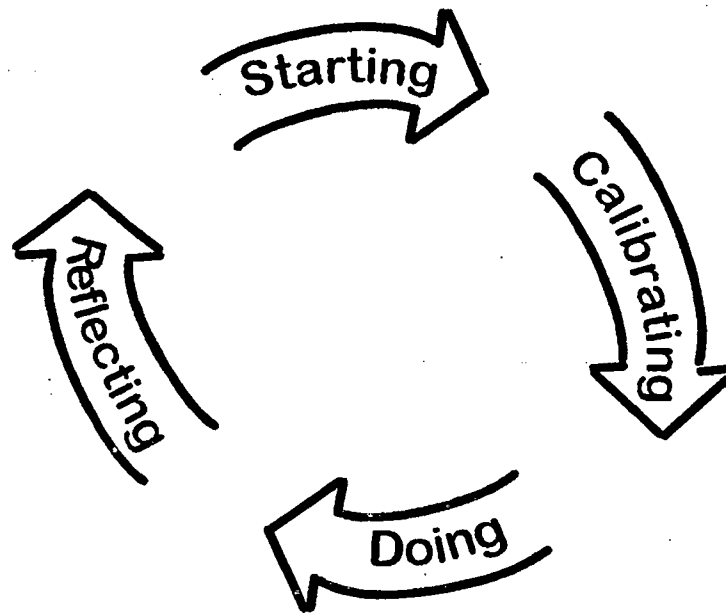
# Issues Management Chart/Grid

ISSUES	TEAM ASSIGNED	PROBLEM/DATA GATHERING	INTERESTS ANALYSIS	OPTIONS/ CRITERIA	EVALUATION	COMMITMENT	IMPLEMENTATION	COMMUNICATION	FEED BACK



## EFFECTIVE MEETINGS

- ☆ A "meeting" is a form of communication
- ☆ An effective meeting consists of 4 immediate components:



### ☆ Starting:

Includes "Check in"

- Name?
- How are you?
- Time constraints
- Who's missing?
- Elephants; emergent and issues?
- Expectations?

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# **EFFECTIVE MEETINGS**

continued

## ☆ **Calibrating:**

### **Includes**

- stating purpose(s) of the meeting
  - give information
  - receive information
  - make a decision
- comparing published/expected agenda to emergent issues and information
- deciding whether emergent issues should displace agenda-ized issues and what to do with issues not dealt with at the meeting
- clarifying and reconciling expectations with purpose of meeting

## ☆ **Doing:**

- Do what the group has decided to do about a consequence of the above

## ☆ **Reflecting:**

- asking "what worked" (+) and "what didn't work" ( $\Delta$ )
- factoring the learnings into the next meeting

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## **FACILITATION TIPS**

☆ **CHECK IN AND CHECK OUT**

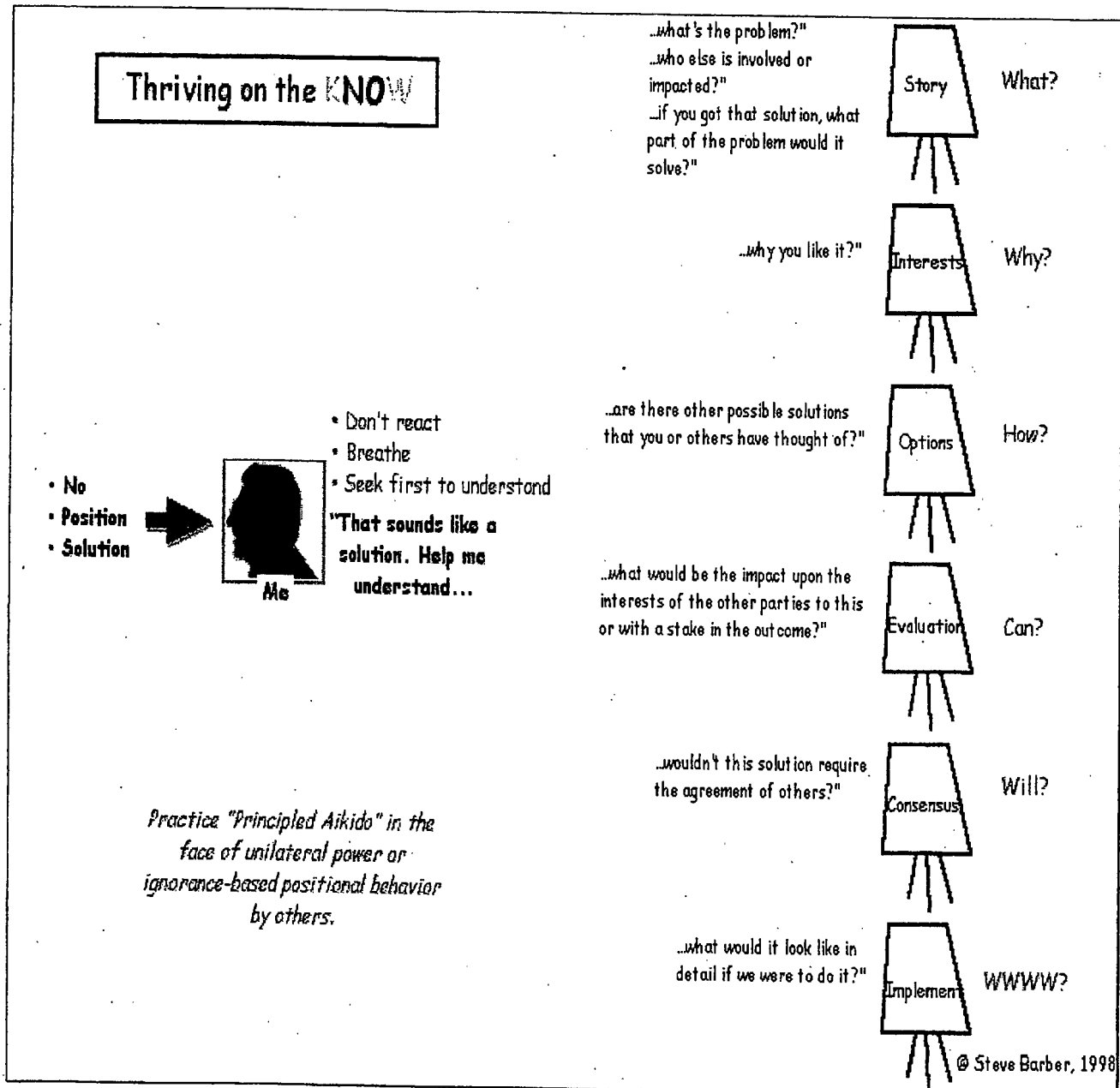
☆ **NOMINATIVE GROUP TECHNIQUE**

☆ **PEN COLORS**

☆ **GRAPHIC ORGANIZERS**

☆ **ROUND ROBIN**

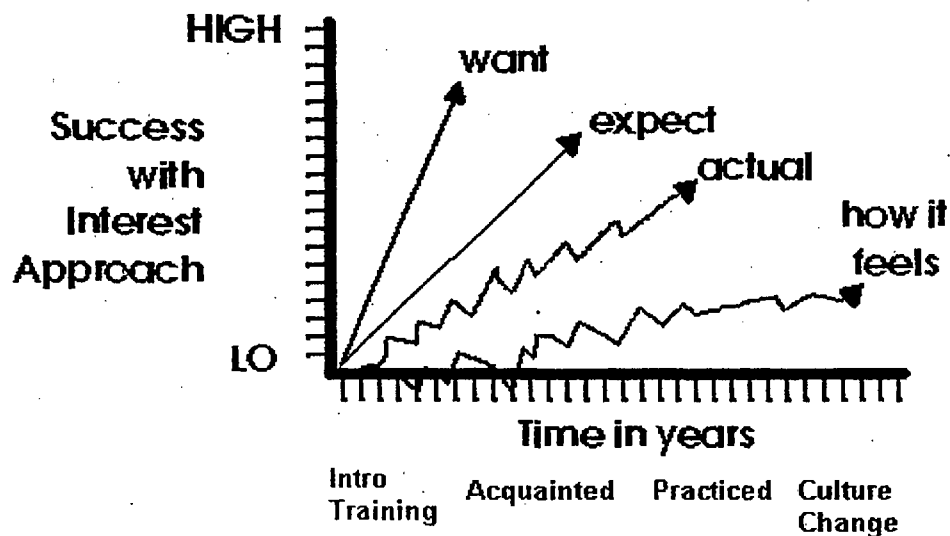
Chris Rust, a facilitator in the Battle Ground School District (Vancouver, WA), thought enough of our "AIKIDO" Diagram he made it legible using his computer.



WHAT TO EXPECT....

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As many enterprises and organizations have committed to the effort to change their culture in order to cope with the fundamental upheavals fueling the bulldozer of change there is some history of what you can expect to experience in terms of actual practice and its emotional consequences.



Ross Consulting

#### HOW TO IMPLEMENT.....

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Choosing to attempt a change in process and culture as fundamental as the one set forth here is dramatic and significant. It involves more effort at unlearning a very ingrained collection of habits through the commitment to and practice of a collection of new "habits" than it involves the immediacy of success in those new "habits". It is very much like the struggle to recover from a dependency. I call those who have chosen to bring on this very different approach to problem solving and choice making....recovering authoritarians.

#### HOW TO GET STARTED.....

The decision to initiate an interest approach to labor relations is a choice best made jointly by the parties to the relationship. The cynical motive to initiate its use solely for the purpose of a fire extinguisher for an emergent issue or just another tool for "the win", will ultimately come to haunt the practitioner so inclined. Instead, a sober realization of the long term implications of change in the relationship and ultimately how the organization will be run is needed. Managers can expect to be obliged to sustain the commitment of the enterprise to the interest approach while employees and the employee organization can expect to be obliged to sustain participation in the interest approach.

Getting started involves some joint exploration of the concept such as a delegation attending a conference and an orientation from a presenter delivered to a joint audience within one's enterprise. Next, an introductory training of appropriate length (3 or 5 days) is necessary. This introductory training is reinforced with follow-up facilitation by a facilitator. The necessity of joint training cannot be emphasized enough. Even with the training, practice in the principles is obligatory if reversion to the traditional paradigm is to be avoided. Yet, once engaged in the interest approach, the practitioner will forever be a creature of the traditional model.... a "recovering authoritarian".

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## THE MENTAL MODEL OF RELATIONSHIP MANAGERS

(Executives, managers, supervisors, shop stewards, business agents, etc.)

FROM		TO
Decider	⇒	Facilitator
Director	⇒	Coach
Instructor	⇒	Mentor
Master	⇒	Servant
Thinking that: Conflict & Problem = Broken & Fault = Sanctions/Discipline <u>Fear</u>	⇒	Thinking that: Conflict & Problem = Opportunity to Improve/Learn = <u>Ownership</u>
Organizational Communication That says, "Check your brains at the door."	⇒	Organization communications that says, "Be an educated, multi- capacity, aware participant."
Responsibility for subject matter expertise	⇒	Responsible for process & relationship expertise

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## What “paradigm shifting” looks like

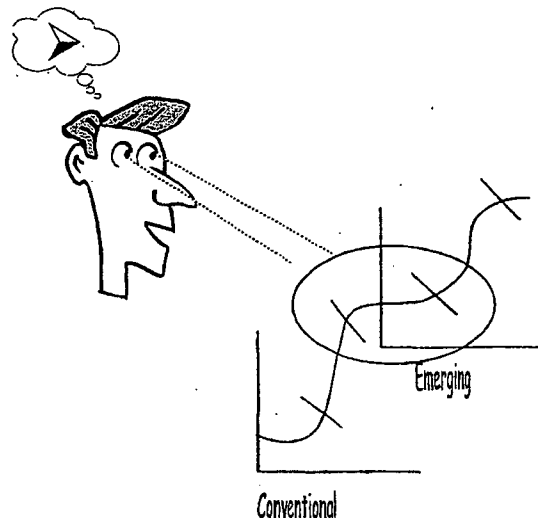
- A paradigm begins shifting well before I have become aware of the shift
- My “situation” is a field of paradigms
- “Crisis” frequently prompts a paradigm shift rather than cognitive/rational choice
- Because it (the new paradigm) often shows up before its needed or wanted, the message is often perceived as a threat
- Awareness of my own paradigm & where I am on the curve will help me avoid crisis
- Outsiders often carry the paradigm shift message → ∴ should seek out and listen to outsiders [Those who challenge my rules sound critical/hostile.]
- If I consciously choose to practice the emerging paradigm I should expect ridicule and criticism
- This requires:
  - ✓ courage
  - ✓ intuitive judgment [have faith in the emerging paradigm]
  - ✓ commitment to the long term
- I should expect the conventional paradigm to make it difficult for me to

practice the emerging one, due to habit etc.

- When a paradigm shifts, and it will, everything goes back to “zero”, success in the old paradigm guarantees me nothing in the new
- Power doesn’t put people back to zero, ideas do.
- I can discover the emerging paradigms by looking outside my paradigm (boundaries) by asking the impossibility question

I need to purposefully question my paradigm:

- ✓ openness: no one knows everything
- ✓ humility: keep on learning





## CONVENTIONAL

?

## EMERGING

Mechanical

Watch =>

Electronic

Trees

Cellulose

Kenaf

Acids/stress

Ulcers @

Bacteria

Tax & Distribute

Social Security

Tax/invest  
distribute income

Single dimensions

Art =>

Multi-dimensions

Ignore

Environment

Aware

Can't stop the  
line/inspect the  
result

Manufacturing

Stop the line/  
inspect along the  
way

Finished when  
achievement  
reached

Learning

Lifelong

Scarcity

Capitalism

Symbiosis

Mechanical

Organizations

Organic

Operates/decides

Management

Govern

React  
Participate

Associations

Act/say  
Facilitate

Managers

Supervisors

Do

Employees

Participant

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CONVENTIONAL	COMPONENTS OF THE WORKPLACE	EMERGING
Entitlement	Basis of Contract	EE & ER Mutually Add Value
Autocratic Paternal Hierarchical Principal-agent Master-Servant	Structure of Relationship	federal organic quantum horizontal web-like
Do what's told	Participation Expected	Participate in process
Homogenous Specificity	Selection	Embrace & seek diversity- competencies
Conformity Adherence to Order(s)	Evaluation	360 degrees
Static & Structured Distributed	Compensation	Fluctuates with results Integrated with whole
Described & outlined by the "expert"	Description of "work"	Described by work at hand & those responsible: competencies required
Individuals Management	Managed by	Teams Governance
Via Command	"Control"	Self-motivated via legitimacy
Product Driven	"Market" & environment of opportunity	Service driven
The End User	"Customer"	360 degrees for each participant
Avoid/Risk averse	"Change"	Inevitable/Risk resourced
Act-React	"Process"	Participatory - Interactive
Certain Predictable Quantifiable	"Results"	Uncertain Unpredictable Quantifiable
Mechanical	Organization Itself	Social

# THE HOME PAGE

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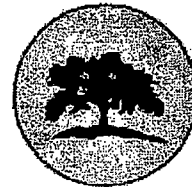
The Nautilus  
of Organizational Issues  
Interdependent with an  
Interest Based Approach



Navigating the  
emerging paradigm  
of decision making



EXERCISES



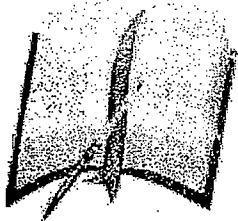
ORGANIZATIONS ARE  
ORGANIC SYSTEMS NOT  
MECHANICAL DEVICES



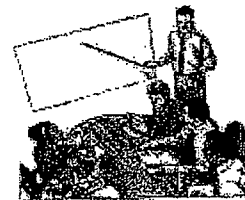
Articles by  
Barber & Gonzales  
and related authors



A Brief Overview of the  
Interest Based Approach



Discovering a better way:  
Articles/Stories about IBA In:  
Labor  
Environment  
Community  
Public Policy  
Organizational  
Development/Effectiveness Planning



Links and Bookmarks to  
organizations, associations  
and parties related to IBA

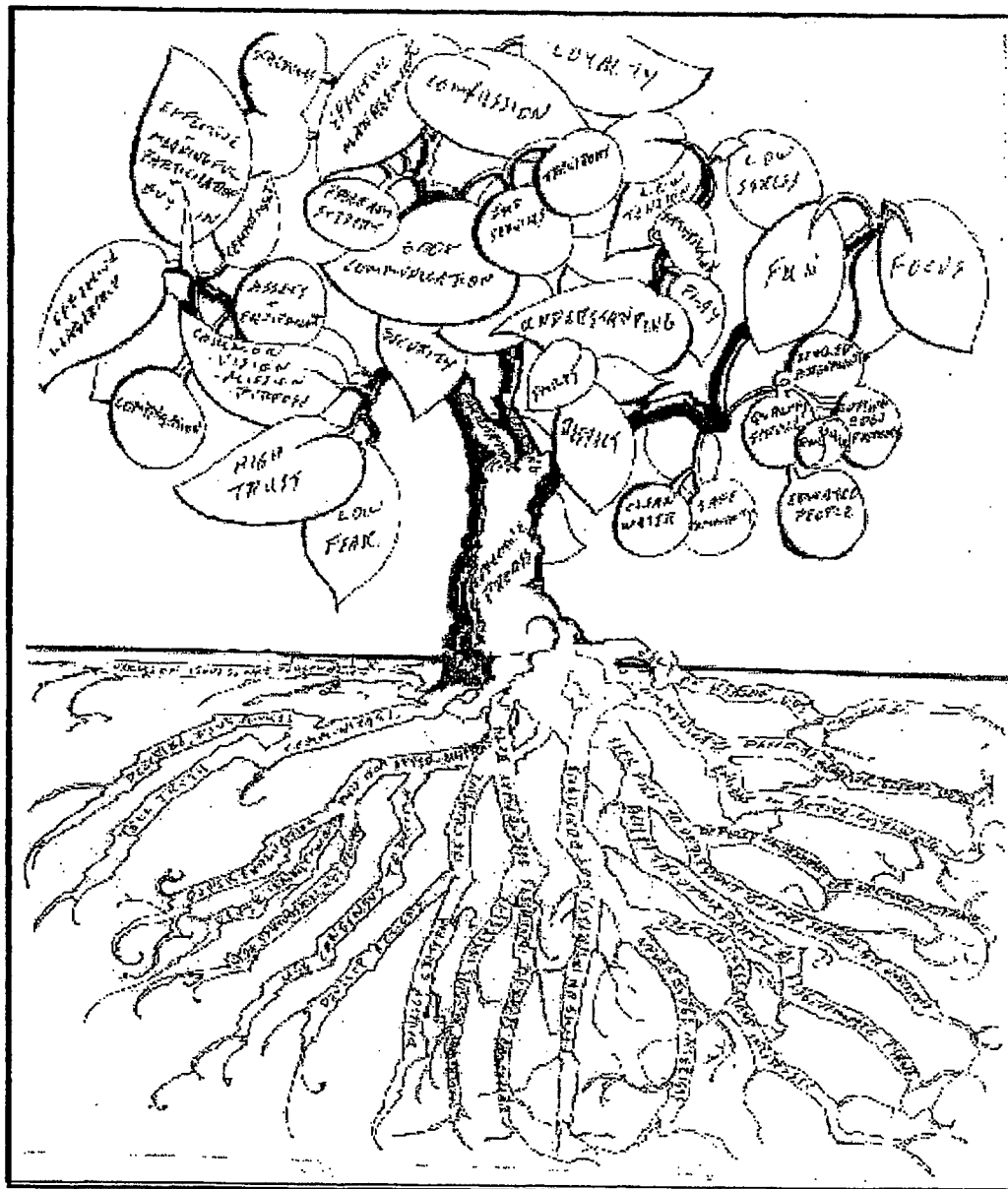
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**Metaphorically, the tree represents a system much like the organization:**

**Fruit: outcomes**

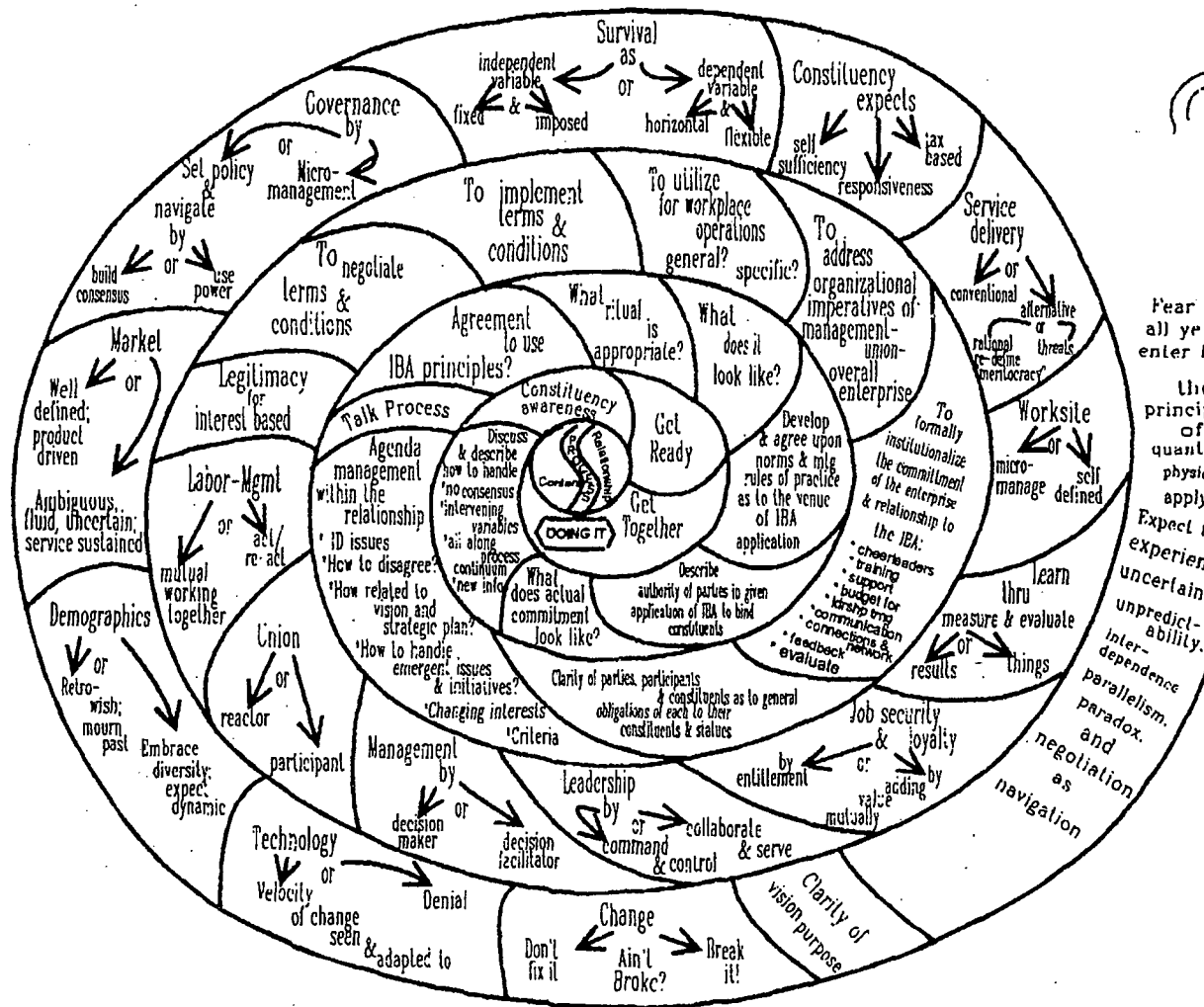
**Leaves: context of the workplace**

**Trunk: political process of allocating and supporting production**

**Roots: the principles of behavior**

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## Investing in life's work

"WHEN WE STARTED to harness the power of machines in the early years of the industrial era, gradually we started to see more and more of life as machine-like..."

"A company, in this sense, is literally a machine for making money.... If money doesn't come out, the machine is no good and you throw it away or try to fix it," says Peter Senge, a senior lecturer at the Massachusetts Institute of Technology.

"On the other hand, look at the literal meaning of the word 'company.' It does not mean a machine, it means a group of people.... The word 'company' derives from the sharing of bread.... It's the same root as the word 'companion.' In Swedish, the oldest word for *company* means 'nourishment for life' and the oldest symbol for *company* in Chinese means 'life's work.' So we have these much older ideas of what a company is all about: a group of people creating something together, and consequently being a kind of living force."

Interviewed by **Melvin McCleod**  
"Changing How We Work Together"  
*Shambala Sun*  
January 2001

"A human being is a part of a whole, called by us "Universe," a part in time and space. He experiences himself, his thoughts and feeling as something separated from the rest—a kind of optical delusion of his consciousness. This delusion is a kind of prison for us, restricting us to our personal desires and affection for a few persons nearest to us. Our task must be to free ourselves from this prison by widening our circle of compassion to embrace all living creatures and the whole of nature and its beauty."

--*Albert Einstein*

"It was not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

--*Charles Darwin*

"Real freedom is the ability to pause between stimulus and response and, in that moment, choose."

--*Rollo May*

"Let us not look back in anger or forward in fear but around in awareness."

--*James Thurber*

"I have come to a frightening conclusion that I am the decisive element. It is my personal approach that creates the climate. It is my daily mood that makes the weather. I possess tremendous power to make life miserable or joyous. I can be a tool of torture or an instrument of inspiration, I can humiliate or humor, hurt or heal. In all situations, it is my response that decides whether a crisis is escalated or de-escalated, and a person is humanized or dehumanized. If we treat people as they ought to be, we help them become what they are capable of becoming."

--*Goethe*

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## FOR FURTHER READING • • • • •

This short bibliography lists a basic collection of publications that provide windows into the emerging paradigm of communications, negotiation, and problem-solving. Each of these books in turn contains substantial references for further reading and inquiry.

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\* Steve Barber is a native-born Californian, born and raised in Taft. His employment experience includes machinist apprentice, retail clerk, cowboy, ranch hand, firefighter, oil worker, truck driver and mechanic. Upon his graduation from UCLA with a degree in Political Science, he attended graduate school in Political Science and Philosophy at San Diego State College. Steve has been contributing to the development of curricula for the

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Political Science Department of San Diego State in mediation as a component of their Interdisciplinary Degree Program in International Conflict Resolution. Annually he presents a seminar on decision making to the Graduate School of Political Science at San Diego State, and frequently presenting to state and regional conferences on the subject of employer/employee relations, organizational development/effectiveness and change initiatives.

## **STEVE BARBER ARTICLES**



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## **ASSOCIATIONS AND AFFILIATIONS**



Search for Common Ground

International Association of Public Participation Practitioners

Organizational Development Network

Association for Quality and Participation

Arizona Alliance for Collaboration

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The Workplace Institute

AQP Excellence in Government and Community

University of California, Davis: Instructor, Extension Program

Los Rios Community College District; Instructor, The Training Source

Sierra Business Council

International Association of Facilitators

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**RAYMOND J. GONZALES, Ph.D.** After many years of government service, Dr. Ray Gonzales returned to academia in January of 1997 as a professor in the Institute for World Languages and Cultures at California State University, Monterey Bay. Dr. Gonzales had led the needs assessment team for the new university in 1993 which was responsible for laying the groundwork for the base conversion project which located a new state university at the previous Fort Ord in California. The study entitled "The 21st Campus for the 21st Century" anticipated a pluralistic university whose main focus would be on multi-culturalism, public service and globalism. Dr. Gonzales is a leader in the fields of diversity training, ethnic studies, education, foreign affairs, labor relations, and state and local government.

As a National Director for Minority Recruitment at the Peace Corps, Dr. Gonzales brought to this position extensive government management, recruitment, and intercultural experience. He was responsible for increasing diversity figures at the Peace Corps, raising the percentage from 8.9 to 15 percent during his tenure. He was appointed to this position in April of 1994.

Dr. Gonzales served in the U.S. Department of State's Foreign Service from 1980 to 1990, as political officer and labor attaché at U.S. embassies in Latin America and the Caribbean, and at the U.S. Embassy in Brussels before the European Communities and NATO.

Dr. Gonzales was elected to the California State Assembly in 1972 and was Chairman of the Education Committee. He later served as the Director of the Office of Education Liaison for the State of California and as administrator of the state's health manpower programs. He ran the state's farm labor camps, as well as serving as education advisor to the Governor. In 1976 he was appointed by the Governor as a member of the Public Employment Relations Board.

Dr. Gonzales' career as an educator spans three decades. He was a professor at California State University, Sacramento, Bakersfield, and Long Beach campuses and taught political science, history, languages, and ethnic studies. He has taught at the University of Brussels and is presently teaching at California State University, Monterey Bay.

Dr. Gonzales received a diploma in Hispanic Studies from the University of Barcelona, Spain and a Bachelor of Arts in Spanish and English from San Francisco State University; a Master of Arts in 1964 from University of the Americas, Mexico City; and a Ph.D. in Latin American Studies in 1971 from the University of Southern California.

He has been a board member of the Hispanic Chamber of Commerce, Martin Luther King, Jr. Memorial Committee, U.S. Advisory Commission to UNESCO, the Hispanic Media Association, and the Board of the Sacramento Muscular Dystrophy Association, among other groups. He served in the U.S. Marine Corps and is married to the former Ada Ortega Lehner. They have four children.

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## PARTIAL LIST OF CLIENTS

- ❖
  - ❖ City of Roseville and
    - Firefighters
    - Police Association
    - Operating Engineers, Local 39
  - ❖ City of Petaluma and
    - International Assn. of Firefighters
  - ❖ City of Union City and
    - Union City Police Officers' Assn.
    - Operating Engineers, Local 3
  - ❖ El Dorado County and
    - Deputy Sheriff's Association
  - ❖ Placer County Water Agency and
    - Operating Engineers, Local 39
  - ❖ AC Transit and
    - A.T.U.
    - I.B.E.W.
    - AFSCME
  - ❖ Sacramento Regional Transit and
    - Staff Association
    - Supervisors Association
  - ❖ Placer Dispute Resolution Service
  - ❖ California Foundation for Improvement
    - of Employer-Employee Relations and
    - 20 +clients: elementary, high school,
    - community college districts and
    - unions (classified and
    - certificated)
  - ❖ California State Legislature and
    - Women's Caucus
    - Freshmen Democratic and Republican
    - Caucuses
    - Budget Conference Committee
  - ❖ California State Employees Assn. (CSEA)
  - ❖ International Brotherhood of Teamsters

- ❖ California Special Districts
    - Association
  - ❖ Public Officials in Water and
    - Environmental Reform (POWER)
  - ❖ Placer Consensus Project
    - (Placer County)
  - ❖ Arizona Alliance for Collaboration
  - ❖ City of Santa Rosa & Police Officers
    - Association
  - ❖ Pendergast School District (AZ)
  - ❖ Phoenix Union High School District
  - ❖ Bay Area Rapid Transit District & 5
    - local unions (Police, AFSCME,
    - ATU, SEIU)
  - ❖ City of Fremont
  - ❖ Catellus Development Company
  - ❖ Northern California Power Agency
  - ❖ North Tahoe Fire District
  - ❖ Salt Lake City Public Schools
  - ❖ City of Palo Alto Public Utilities &
    - Environmental Department
  - ❖ City of Fairfield & 3 bargaining units
    - (Fire, Police, General)
  - ❖ California Department of Fish & Game
  - ❖ City of Roseville/Homeless Forum
  - ❖ South Fork of American River
    - Dialogue Project
  - ❖ Association of Quality & Participation
    - (AQP) Brussels Institute on Bringing
    - Quality & Participation Principles to
    - the Community
  - ❖ Various private sector clients in
    - service industries (Transportation,
    - Freight, Wholesale foods)



## PARADIGM PILGRIMS

in

Communication ☐ Organizational Effectiveness ☐ Negotiation

### Multiparty Applications of the Interest Approach

Usually at the receiving end of a "911" call from a party or parties in crisis Barber and Gonzales has primarily developed its practice of interest-based principles and elements form with the context of highly polarized, emotional, and divisive situations. Additionally we are pleased to be of service to organizations and groups engaged in the strategic application of the principles in order to survive and thrive into the future, not just surmount a crisis. Until a full assessment has been completed with any relationship it is impossible to characterize. Regardless of the condition or character of the situation, the principles still apply. It's just that the initial and ongoing focus might vary according to this character of the situation in question.

We find four typical situations:

The **highly polarized** setting where parties are at "war" but realize that at some point the fighting will cease either because they are out of ammunition or have an equitability of power to continue to stalemate each other; the **simply contentious** situation wherein the parties seem eager to act out past issues and win/loss injuries in the current situation; the **strained and suspicious** relationship wherein the parties are making a conscious effort to succeed with each other but are wary of "those other guys." And then there is the genuinely **rational and purposeful** relationship which honors not only the elements of the substance of the situation but the principles of building a positive relationship through an effective negotiations process. Few and far between at the outset, persistence from the beginning of the previous three typologies often results in this fourth situation.

From the hundreds of applications we have experienced, we have outlined here a few examples of situations we think appropriate to describe the interest-based process:

**example 1.** A collection of 14 public utilities belonging to a **joint powers agency** for the purpose of **generating and distributing electricity**. The issue was highly technical and focused upon the formula for calculating income as correlated with use offset by generation. The process took nine months. Participants were highly pleased by the result with evaluative comments including "first time we've ever had a solution this creative and supported by all. Too bad we couldn't have been using this from the start of the agency."

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**example 2.** An environmental advocacy group convenes a dialogue among industry, regulatory agencies, business interests, and other environmental advocacy groups. Thirty-five parties in all were at the table. A breakthrough event in the first place, the dialogue resulted in a greater understanding of interests and a commitment from all to sustain the dialogue into the future. Further, a commitment to a critical relationship principle was agreed to by consensus: to talk first before taking unilateral actions.

**example 3.** A city government (three departments and the city council) and land developer utilized Barber and Gonzales to help re-start stalled negotiations which had broken down due to the use of sophisticated leverage/political tactics. The initial focus was upon understanding and re-establishing trust and acceptance of each other at the table. The ultimate result was the commitment to, vision of, and action plan to operationalize a \$30 billion project over the next 10 years. This plan included the utilization of an interest approach over time to refine the details, resolve disputes, and involve other stakeholders to the situation as it unfolds.

**example 4.** A new state agency needing to promulgate regulations to operationalize a new statute relied upon Barber and Gonzales process design input and facilitation to negotiate the scope and text of the regulations with multiple statewide associations and individual members of these associations.

**example 5.** A public utility engaged in decision making about how to embrace the new/forthcoming deregulated environment relies upon Barber and Gonzales to design, facilitate, and develop a group memory for four public meetings involving multiple individual interests as parties to five principal stakeholder groups. Results included clarity of direction for the elected board, customer, and employee ownership of the commitment to embrace the new environment, surprisingly creative sales and rate concepts emphasizing the commitment of the utility to sustainable sources of power and consumption, and a competitive jump on the marketplace of power generators and providers.

**example 6.** A very large, suburban school district in a "right to work" state in the midst of a decade of acrimony is threatened with dissolution by the parents. The union, management, and parents participate at the table in the form of five formal parties. Barber and Gonzales facilitated and designed a "bridging strategy" to take the myriad of relationships from the acrimony to the table and beyond. Results after five years of effort: the district went from the condition of losing staff and not being able to recruit to having to turn away applicants in an "applicants" market due to population growth and class size reduction initiatives.

**example 7.** An environmental advocacy group convenes, using a Barber and Gonzales designed approach and facilitation, 42 parties representing multiple government entities, industry associations and parties, and other environmental groups to focus on a common problem of resource loss to land development. The result was an agreement and plan to

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improve the application of, marketing about, and success of conservation easements in lieu of a ballot initiative. Further, a commitment emerged to monitor the solution over time.

**example 8.** A public utility, using Barber and Gonzales to design a multiparty internal assessment and negotiation, successfully **re-designed its approach to the provision of service** to both internal and external customers. The initiative was prompted by the decision of elected officials to dramatically expand the service offering of the utility to include technology networking for an entire community.

**example 9.** An "assembly" process focused upon the implementation of a **multi-party agreement** (when achieved) involving the **confluence of multiple watersheds** and the Pacific Ocean. With over 300 participants representing 200+- stakeholder groups and parties in attendance Barber and Gonzales collaborated with the convener to provide not only process design but facilitation as well. The result was a clearer understanding of the various perspectives and issues which outline them. Further, there emerged a consensus that a non-adversarial approach to the decision making around the identified issues should be pursued.

**example 10.** A multiparty negotiation focused upon a watershed experiencing multiple uses including fishery, mining, recreation, hydroelectric generation, timber harvesting, fire, whitewater rafting, and consumptive purposes convened with the help of Barber and Gonzales in the midst of ongoing acrimony in the courts, political process, and community at large. The parties have made but one commitment, that of using the interest based approach to resolving their differences. This agreement is significant in that it represents a commitment to talk in amongst the litigation and acrimony. The talking continues. Further, the parties have a consensus about seeking the funding necessary to sustain the interest-approach and apply it to the specific substantive and relationship issues that Barber and Gonzales have helped identify through facilitation and consulting. This may sound simple; yet within the context of the particular community and watershed it is a monumental achievement for these parties.

**example 11.** A multiparty planning process to retain and revitalize seasonal salmon runs in a river/creek system heavily impacted by urbanization and industrialization was precipitated by formal charges levied against the regional water district by state water quality and fish and game officials. Barber and Gonzales conducted twenty-plus facilitated meetings along with communications support to the multi-agency and advocacy group assemblage convened for the purpose of rectifying the conditions reflected in the citation. The multistakeholder group has succeeded in designing both a technical/scientific scheme to collect data and an approach to take regarding the recovery/quality issues.

**example 12.** A police department is faced with the equivalent of a vote of no confidence in its chief of police. Barber and Gonzales worked with a small committee comprised of city council members, police union officials, the city manager and chief of police to determine the substance behind the initiative, identify an appropriate course of action(s), and help develop buy-in by all the parties for initiating change.

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**example 13.** A large, urban fire department experiencing the simultaneous transition of its chief and union leader seeks to institutionalize the positive aspects of their long term working relationship. Barber and Gonzales engage in consulting and training initiatives within the union/management relationship to meet this goal. Training in Principled Negotiations, teambuilding, effective meetings and more are included in the initiative.

**example 14.** A railroad is struggling with a stalled initiative to introduce "TQM" into its culture. Barber and Gonzales work with the employee relations staff to introduce labor-management cooperation as the antidote.

**example 15.** A well-known computer manufacturer experiencing exceptional growing pains due to the success of its cutting-edge product innovations establishes a new customer service call center. Barber and Gonzales designed and is delivering a comprehensive team building and cultural development initiative to establish long-term success from the beginning.

**example 16.** An R&D unit in a Silicon Valley icon is charged with examining and revamping the decision making processes with its division. Barber and Gonzales provide consulting services to this team faced with this "process as substance" challenge.

**example 17.** A county social services department has expanded both in size and scope of services exceeding the limits of managerial capacity to move the organization away from a centralized operations structure. Barber and Gonzales initiated a large scale intervention in training managers and supervisors group decision making processes, communication skills and facilitation practices... enabling a decentralized policymaking structure to emerge. Professional and support staff were subsequently trained with the help of management and supervisory personnel.

**Example 18.** As a part of a larger intervention with other consultants, IIUSP "Failing Schools" were introduced to meeting management skills, concepts and principles of group decision making, and practices in reducing high levels of conflict within the organization. The interventions resulted in a turnaround in the handling of issues and problem "dissolving." These "failing schools" have developed the means to approach problem solving using systemic processes for improving their performance level and handling internal and external conflict.

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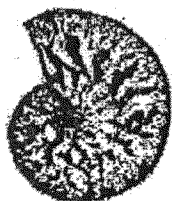


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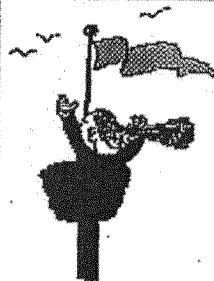
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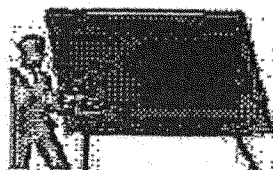
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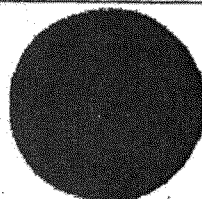
The Nautilus  
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Interdependent with an  
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Navigating the  
emerging paradigm  
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EXERCISES



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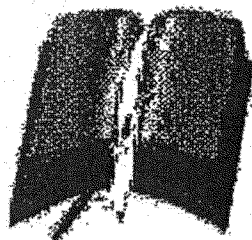
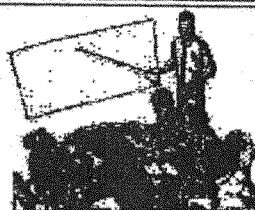
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## PARADIGM PILGRIMS

in

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**STEVE BARBER** is recognized as a leader in the field of non-adversarial negotiations, decision-making, problem-solving and organizational effectiveness. After serving as the top aide to two California State legislators, Steve held the posts of Executive Secretary and Deputy Director of the California Public Employment Relations Board during his 15 years with that agency.

Steve has logged over 30,000 hours introducing a non-adversarial process for collective bargaining in union-management relations. His pioneering work as a change initiator has brought him national and international recognition. He was a U.S. Delegate to a United Nations conference on introducing and sustaining an interest approach to negotiations for international employers and unions. Recently he was invited by the Association of Quality and Participation to introduce interest-based decision-making principles to international business and government communities.

Steve graduated from UCLA with a degree in Political Science and attended graduate school in Political Science and Philosophy at California State University at San Diego. He frequently presents to state and regional conferences on the subject of employer/employee relations, organizational development and change initiatives. As a principal of the Barber & Gonzales Consulting Group, Steve conducts training, facilitation, and consultation in an interest-based process for private and public sector clients, environmental concerns, special districts, and public participation projects.

**Raymond J. Gonzales, Ph.D.** was elected to the California State Assembly in 1972 and was Chairman of the Education Committee. He later served as the Director of the Office of Education Liaison for the State of California and as administrator of the state's health manpower programs. He ran the state's farm labor camps, as well as serving as education advisor to the Governor. In 1976 he was appointed by the Governor as a member of the Public Employment Relations Board.

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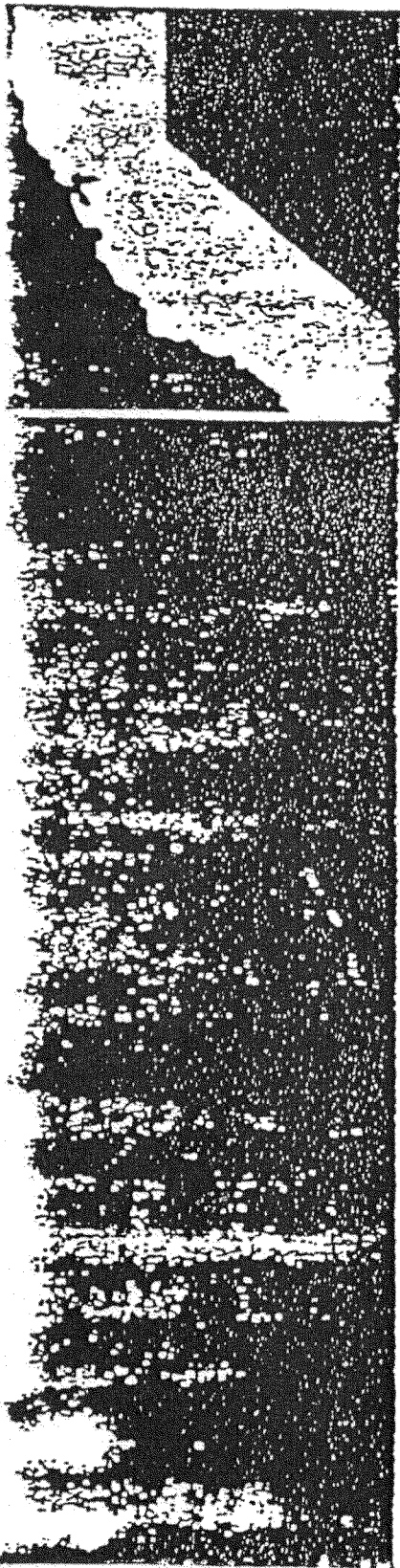
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ON  
THE EMERGING NEW PARADIGM  
IN  
ORGANIZATIONAL RELATIONSHIPS**

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# CPER

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CPER provides up-to-date, nonadversary information to those involved in employer-employee relations in public employment. Readers are encouraged to submit comments on this issue, to make suggestions regarding the content of future issues, and to contribute information on recent developments in the various public agencies.

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December 1988

# The Emerging Paradigm in Public Sector Labor Relations

By Stephen Barber, Assistant Executive Director, Public Employment Relations Board, and Kenneth Hill and Tim Nelson, PERB Graduate Student Assistants, California State University, Chico\*

par-a-digm (par'a dim, -dim') *n.* [Fr. *paradigme* < LL. *paradigma* < Gr. *paradigma* < *para-*, *PARA-*<sup>1</sup> + *deigma*, example < *deiknynai*, to show: for IE. base see DICTION]  
1. a pattern, example, or model

epi-ste-mol-o-gy \-je\ *n.* -is [epistemo- (fr. Gk *epistēmē*) + -logy]: the study of the method and grounds of knowledge esp. with reference to its limits and validity; broadly: the theory of knowledge

You've just pulled to a stop at the four-way light and reach over to fiddle with the radio dial when a total stranger appears. As he thrusts himself halfway through the passenger window you move to protect your newly acquired possession on the front seat. Instead of grabbing your parcel or the keys to your car, he grasps your hand and while pumping it wildly, breathlessly exclaims, "I helped build your car! How do you like it? Any complaints? How were you treated by the salesman? Have you had it long? Have you had it serviced yet? How was the service you got? How do you like the design? Any squeaks? Any rattles?"

The barrage of excited questions from the enthusiastic stranger is punctuated with an explanation as to their source. The stranger is an assembly-line team leader at the New United Motors Manufacturing, Inc., plant in Fremont, California. The incident is a true story. It is a story similar to many that Chevrolet Nova owners have been sharing with their friends as a new method of practicing labor relations flourishes at an auto assembly plant otherwise indistinguishable from its cousins throughout the country.

The NUMMI story is that of a Phoenix rising from the ashes of a dramatic failure of traditional collective bargaining. The NUMMI experience is not unique. Many private sector labor and management practitioners, desperate to assure economic survival in a competitive global economy, have declared confrontational labor relations and adversarial collective bargaining obsolete, outdated, and counterproductive.<sup>1</sup>

Reflective of an amniotinal tap root set deep in positional bargaining methodology, the characteristics and consequences of conflict found in the traditional collective bargaining process, familiar to readers of *CPER*, have become the widespread explanations for failed negotiations, poor product quality, low productivity, inquiries into what's right or wrong with the process, and for some, the primary motive for change. Yet, while the private sector is moving away from the practice, positional or traditional bargaining methods are the dominant paradigm in the public sector today.

Unlike the private sector, where alternatives to the traditional bargaining method have been

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\*This article was developed as a result of research involving on-site interviews at 18 school districts and a review of available literature. More specific results of the interviews and additional research will appear in a subsequent article.

1 "New United Motor Manufacturing, Inc., and the United Automobile Workers: Partners in Training," *Labor Management Cooperation Brief*, U.S. Dept. of Labor, Bureau of Labor-Management Relations and Cooperative Programs, No. 10 (March 1987).

actively sought out, alternative bargaining methodologies in the public sector are only starting to emerge. Because of the importance and impact of these alternatives on the process of bargaining, the labor relations profession, and the goods and services produced by employers and unions, and because it is apparent that these alternatives are coming to the public sector as surely as the public sector adopted positional bargaining, it is important to stimulate dialogue on the subject.

In this article, we hope to offer a general understanding of what is meant by the term, "alternative bargaining methodologies," point to some of the underlying assumptions, discuss the role of the Public Employment Relations Board (PERB), and encourage further exploration of the subject by others.

### What Business Is It of PERB?

What are the respective assumptions of the traditional collective bargaining model and the new "integrative" models we have been exploring this past year at PERB? In brief, the difference is that the integrationists reject the assumption of the traditional model that there are inherent conflicting interests between labor and management which will result in economic and political power struggles. The alternative methods find alien the assumption that there are fundamentally opposed interests which require mutual accommodation through a power struggle.<sup>2</sup>

Much has been written about how and why conflict came to be the basis for traditional, or positional, collective bargaining. In general, the literature agrees that the character of industrial expansion in the 19th century and early decades of this century gave rise to attitudes, conflicts, and a method of dispute resolution which are no longer relevant to a transformed economic environment.<sup>3</sup>

Given the pressures to successfully compete in a global marketplace, reduce conflict, and improve product quality, the positive response to these pressures offered by the integrative approaches may accelerate their embrace at such a pace that the philosophical debate will forever be in a "catch-up" mode.

Part of the deliberations about the philosophical basis and practical application of the integrative approach centers on the issue of whether an institution such as PERB, conceived to administer and adjudicate the codes and case law reflecting the traditional collective bargaining model, has any business encouraging, let alone exploring, conflict-reducing methods of bargaining.

One argument seems to be this: "PERB is a dispute resolution agency, period. Such explorations of methodology, which inevitably call into question the assumptions of the statutes PERB administers, are not an appropriate pursuit." Indeed, our many conversations with public officials in other states (we spoke to public agencies in over 30 other states this summer in our information-gathering efforts) indicate that such explorations are usually not being undertaken by agencies such as PERB. Instead, the location of such work is at the university, the state's department of labor or industrial relations, or arises from the changing nature of work being done by state conciliation or mediation services.

The answer to the question of appropriateness for California's PERB lies in the provision of our statute which calls for research into employer-employee relations and employment practices in public and private employment. The statute further authorizes the development of "research or training programs designed to assist public employers and employee organizations in the discharge of their mutual responsibilities under this chapter."<sup>4</sup> This language has given PERB broad latitude to

<sup>2</sup> See, for example, Archibald Cox, Derek Curtis Bok, and Robert A. Gorman, *Cases and Materials on Labor Law* (Mineola, N.Y.: Foundation Press, 10th ed., 1986), pp. 211-214.

<sup>3</sup> Please examine the bibliography which accompanies this article.

<sup>4</sup> Gov. Code Secs. 3512, 3543, 3541.3(f), 3540, and 3560.

undertake interesting and fruitful research on behalf of the parties. In issue No. 73 of *CPER* we outlined the many research projects underway at PERB which illustrate this point.

What is important to realize here is that even though there is wide latitude available, PERB research projects, all of which have been willingly funded by the legislature and governor, are motivated by a desire to provide the parties with tools and information which will enable them to deal with employment issues and resolve problems *before* a dispute arises.<sup>5</sup> This approach is consistent with the organizational scheme of the agency which sees more than 80 per cent of filed cases settled before a formal hearing.

Recently, *CPER* featured articles and letters on the subject of the diligence and speed with which PERB resolves disputes. Without becoming involved in that dialogue, we note that PERB is designed on the judicial model. Streamlining bureaucratic and adjudicatory processes of this model can only go so far to improve the ability to meet the dispute resolution obligations and the parties' expectations regarding these obligations. The PERB advisory committee, PERB staff, and the Board itself have been focusing on procedural changes which address this issue.

At the same time, however, the PERB research approach enables the agency to address the prospect of an ever-rising caseload by placing effective conflict management tools in the hands of the practitioners. By furthering the purpose of the statutes as stated: "...to promote full communication between" public employers and employee organizations and "to promote the improvement of personnel management and employer-employee relations," PERB is recognizing both its role in dispute settlement and the inevitable caseload growth inherent in the projected demographics for California in the next decade.<sup>6</sup>

By providing the parties with information and techniques, PERB not only is better able to live within its budget but also enables the parties to do the same in the bargaining process. We estimate, for example, that the health care cost containment research and communication PERB accomplished in 1984, 1985, and 1986 had the immediate result of enabling parties statewide to avoid increased health premiums totaling many millions of dollars.<sup>7</sup> Such cost avoidance clearly enhances the prospects of resolution of other points of dispute at bargaining tables.

Ignoring philosophical questions, it is clear from the evidence we have gathered this past year that alternative dispute resolution methods reduce conflicts, broaden participation by employees and their organizations, and achieve acceptable contracts in a collective bargaining context.<sup>8</sup> PERB would therefore be remiss in ignoring or discouraging such a development within its jurisdiction in favor of a dogmatic adherence to its traditional role.

### What Are These Alternatives?

Drs. John Glaser and Douglas Mitchell in an as-yet-unpublished paper and in Glaser's doc-

<sup>5</sup> In a 1987 survey of PERB constituents inquiring about training needs and topics of interest on which the agency could focus its communications, conferences, etc., a very clear desire was expressed to learn more about and receive training in "preventative bargaining."

<sup>6</sup> The state Department of Finance projects that school populations will increase by a minimum of 1.4 million by the year 2000. Department of Finance, Population Research Unit Report (February 1988). See Projected Total Population for California by Race/Ethnicity—July 1, 1970, to July 1, 2020—With Age/Sex Detail 1980-2020.

<sup>7</sup> PERB's efforts and activities in the field of health care cost containment are unique to the nation and California. Research and education by the agency have been widely disseminated and put into practice by public sector parties. It should be noted that in this area as well, the public sector had lagged behind the private sector in its awareness and response to a pernicious and growing issue.

<sup>8</sup> See the reading list, especially the PERB collection of current articles. We are spotting and distributing news and in-depth articles about developments in this field. Interested readers should ask to be added to the PERB mailing list.



toral dissertation have identified six models of alternative bargaining methods.<sup>9</sup> These models were developed after surveying the 80+ public school districts in California which were self-identified as having adopted or experimented with the concept. The models are labeled:

1. Mature, high-trust industrial union bargaining.
2. Low profile, meet-and-confer decisionmaking.
3. Budget development or financial formula bargaining.
4. Negotiations process innovations.
5. Altering the ongoing labor-manager relationship.
6. Altering the nature of the negotiated agreement.

In addition to these six models there is also the Educational Policy Trust Agreement. By all accounts this approach is meant to be parallel or supplemental to the collective bargaining process. However, parties report that the improved relationship which results from collaboration on a trust agreement can affect other areas of decisionmaking, including collective bargaining.<sup>10</sup> State and national trends in the private and public sectors suggest an eventual melding of the policy trust agreement approach and alternative bargaining methods.

With alternative methods, the collective bargaining process is best understood as a loop of communication running throughout the district as well as throughout the school year. It culminates at the bargaining "arena" (tables are often absent or pushed against the walls of the room) where problems are identified and solutions postulated and agreed to by the participants. The bargaining sessions typically last four to six days spread over a maximum of two months time. Subcommittees research difficult problems.

The typical alternative method does not involve management and labor sitting on opposite sides of a table attempting to achieve unconditional or even conditional surrender or capitulation to a preconceived position taken by the other side. Role differentiation is reduced, "brainstorming" practiced, and many participants report that an observer unfamiliar with the participants would have difficulty recognizing management or labor representatives from what they contribute to the process. As in the private sector, the authoritarian basis of "modern" American management theory so familiar to us all is being called into question by the success of these alternative, collaborative methods.<sup>11</sup>

The participatory basis of these new methods was welcomed by respondents to our inquiries. Ongoing communications and bargaining are characterized by the openness of all the parties to providing and seeking full information. One could describe the difference between the traditional method and the alternatives as similar to a poker game where all the players know all the hands dealt. It becomes a matter of the players versus the cards rather than the players versus the players. The concept of a winner and a loser is foreign to these methods.

<sup>9</sup> John P. Glaser and Douglas E. Mitchell, "The Strategies for Cooperative Exploration of Labor Relations Alternatives," an unpublished paper. John P. Glaser, doctoral dissertation, U.C. Berkeley School of Education (Spring 1988). Both papers available from John Glaser, 707-253-3577.

<sup>10</sup> It remains to be seen whether the narrow definition of the scope of collective bargaining attributed to the developers of the policy trust agreement will hold for long. In the PACE report summarizing work to date, the following definition of the traditional focus of bargaining is found: "...standardized work rules and adversarial relationships..." To experienced labor relations practitioners, this definition is too narrow. Its validity was questioned at the September PACE conference, and it will surely undergo considerable review if it remains part of the policy trust vernacular. Julia E. Koppich and Charles T. Keirchner, *The Trust Agreement Project: Broadening the Vision of School Labor-Management Relations: A First Year Progress Report*, Policy Analysis For California Education, Policy Paper No. PP88-9-7 (September 1988), p. 24.

<sup>11</sup> D. L. Lander, "Transforming Principles Into Practices," *Task Force Report on Labor-Management Relations*, Commonwealth of Pennsylvania (January 1988), pp. 77, 78, 79.

Admittedly, such characterizations are simplistic; yet, unmistakably, we encountered repeated expressions of trust, respect, mutuality of goals and goal seeking, enthusiasm, reduced stress, purposefulness, collegiality, consensus, an absence of conflict, and even role reversal. It would seem that the degree of trust between the parties is the major determinant of the labor relations relationship in either the traditional or alternative setting. And the success or failure of collective bargaining, whether traditional or alternative, can be seen as a reflection of the quotient of trust between the parties. This proposition deserves more rigorous examination, and has begun to receive it via a recent Association of California School Administrators (ACSA) survey<sup>12</sup> of school district administrators and a PERB survey of alternative methods.<sup>13</sup>

Where alternative bargaining methods have been tried, and sustained, a dramatically different way of looking at reality is being used by the participants. Each person has adopted, consciously or unconsciously, a new paradigm with which to measure, evaluate, and shape reality. As noted in the ACSA study, in some cases the adoption of a new paradigm has come about in spite of the pressure of the conventional wisdom of peers in professional organizations and other districts.<sup>14</sup> Perhaps we should call this an "epistemological event!"

Whatever we call the adoption of this perspective, the new paradigm is not grounded in the conflict resulting from the history of employer denial and labor confrontation which gave rise to traditional collective bargaining. It is grounded in a cultural context focused on environmental awareness vis-a-vis economic survival, ethnic integration, respect for individual rights and opportunity, individual and group responsibility, an entrepreneurial spirit of risk-taking, and more.<sup>15</sup>

#### What Has Been the Impact?

During the past spring and summer, PERB staff made 18 on-site school district visits and innumerable follow-up telephone calls to participants in alternative methods of bargaining. In addition, we spoke to individuals in public agencies, law firms, universities, and school districts in over 30 other states. Perhaps the most dramatic reference to the effect of alternative bargaining methods came from the executive manager of a conciliation service in a neighboring state. He said that during the two-year growth in the practice of alternative methods in his state, the incidence of impasse declarations had dropped by over 20 per cent.

Practitioners from the districts we talked to generally indicate that since the adoption of an alternative bargaining method, impasses have disappeared and grievances have decreased dramatically. Employee organizations report membership increases resulting from higher visibility and greater ongoing interaction with their members as they become more significantly involved in the decisionmaking process, agenda/policy setting of the district, and individual membership casework.

Of interest is the fact that the experience of these practitioners parallels that of NUMMI in Fremont. At the closing of the plant in 1982, there was a backlog of 1,000 grievances and 60 disputed firings. Two years after reopening, there had been fewer than 20 formal grievances filed, with all but one being resolved informally. Similarly, before collaborative labor relations, new ideas for

<sup>12</sup> Association of California School Administrators, *Labor Relations in California, Policy and Training Options*, analysis by Pam West Laboratory and Douglas E. Mitchell (1988).

<sup>13</sup> PERB is collaborating with its advisory committee in gathering attitudinal and experiential data from practitioners.

<sup>14</sup> Glaser and Mitchell, *op. cit.*, p. 3.

<sup>15</sup> Increasingly, the idea that "we are all in this together, despite our differences" is becoming a familiar one. In his book, Buckminster Fuller observes that because an "instruction manual" was missing from the beginning, "we are learning how we safely can anticipate the consequences of an increasing number of alternative ways of extending our satisfactory survival and growth—both physical and metaphysical." See Fuller, *Operating Manual for Spaceship Earth* (Southern Illinois University Press, 1969), p. 53.

product or fabrication improvement approached a handful a year. Now, it has become necessary to create an entire unit to screen the new ideas received from employees each month.<sup>16</sup>

### Are We Ready for This?

From our conversations with the parties, it is clear that a crisis is often the motivator of such a dramatic change in labor relations practices. Clearly, this was the case at NUMMI where the plant had been shut for two years before Toyota, GM, and the UAW initiated the new venture. In other cases, a change of bargaining method will feel very much like the most natural thing to do. It has been postulated that the stakes in terms of global competition are so high that our country cannot wait for an evolutionary-paced or crisis-based change.<sup>17</sup> But most agree that we are at crisis now, whether that crisis exists in the private sector in terms of balance of trade, quality of product, loss of jobs to foreign competition, or in terms of our 40-60 per cent school dropout rate or 40 per cent illiteracy rate among those who stay in school.<sup>18</sup>

Whether motivated by a desire to reduce conflict in employer-employee relations or to improve the product, the paradigm change has arrived.<sup>19</sup> In those areas where the parties have a conflict-based perspective, it may not be possible to effectuate change directly. In some of the districts we visited, attempts to practice alternative bargaining methods had failed, the usual explanation being the inability of a critical individual to set aside the precepts and assumptions of traditional bargaining and adopt those of the alternative. In some cases, absent a personality change, transfer, promotion, retirement, or electoral change there is probably small hope for the shift in perspective required.

In these cases or in cases of mature and otherwise successful traditional bargaining where participants on both sides of the table so define themselves and their counterparts in the aggressive or suspicious terminology that can be part of the traditional model, the best hope is to change the atmosphere in which negotiations occur. For instance, the application of what is known as the Labor-Management Cooperation Committee has been found to lessen the adversarial atmosphere while not disrupting the traditional collective bargaining model. An eclectic approach in the development and use of alternatives is most widely followed by other state and federal agencies seeking to lessen labor relations stress while encouraging improvements in product quality and global competitiveness through mature or alternative collective bargaining methods.

### The Impetus to Change

In the winter of 1987-1988, the state Board of Education created an ad hoc committee to con-

<sup>16</sup>These examples and others are cited in a Department of Labor video tape featuring the NUMMI experience and others. This tape is available through PERB. Other references to the NUMMI experience are found in "New United Motor Manufacturing, Inc., and the United Automobile Workers: Partners in Training..." *op. cit.*

<sup>17</sup>Thomas A. Kochan, "Strategies for Sustaining Innovations in U.S. Industrial Relations," *Journal of State Government*, Council of State Governments (Jan/Feb. 1987).

<sup>18</sup>Recent articles in the press have highlighted the slipping position of American students, despite increases in SAT scores for those who are college bound. Andrew Hahn, "Reaching Out to America's Dropouts: What to Do?" *Phi Delta Kappan* (Dec. 1987), p. 257.

<sup>19</sup>(1) A multi-location consortium of professionals called Policy Analysis in California Education (PACE), based at U.C. Berkeley, Stanford, USC, and in the state capitol, has been working with the California Federation of Teachers, the California School Boards Association, and six school districts to develop educational policy trust agreements. The California Teachers Association and six more districts will join the project this year. (2) No fewer than 25 school districts in the state have tried WIN-WIN negotiations as developed and facilitated by the late Irving Goldhaber. (3) Variants of WIN-WIN have occurred at a variety of school districts where the parties have combined their training in quality circles, group facilitation, and communication to shift away from traditional bargaining at times of severe breakdown, usually never to return to it. (4) The School Employers Association, a 100+ member group of Southern California school districts, has been focusing on alternative bargaining methods at the past three annual conventions. This year the SEA is contracting with the Harvard Negotiations Project and the private firm of Conflict Management Inc. to provide training to its members. (5) The Association of California School Administrators (ACSA) featured WIN-WIN's Irving Goldhaber at an annual convention over five years ago. (6) Labor-management committees are starting to become visible in California.

sider the question of the impact of collective bargaining on the quality of education. The initial stage of the inquiry involved soliciting written communications from a wide variety of practitioners in the field. The overwhelming sense derived from the response was that while the collective bargaining process in California schools was in place and working without difficulty overall, it appeared to a majority of the respondents that the process was unnecessarily contentious and adversarial. The ACSA survey substantiates these findings.<sup>20</sup> Furthermore, correspondents to the ad hoc committee inquiry traced most of the drawbacks and breakdowns of the current process to this attribute.

Reduction of conflict is rarely the reason that companies and unions in the private sector make the shift to the alternative method, conflict and contention having generally been considered a part of the private sector labor relations environment. What has caught private sector unions and companies up in the paradigm change has been concern for product quality, productivity, and competition. These motives are clearly the basis for the heavy emphasis placed on the subject by the U.S. Department of Labor through its Bureau of Labor Management Cooperation.<sup>21</sup>

The lesson to those who practice labor-management relations in the public sector is: product improvements (education, public services) are a consequence of labor relations improvements, not necessarily higher technology, not just elaborate new programs, not merely "more" of everything. While this is a bit of an overstatement, the thrust of the message is generally supported by the productivity and quality control literature. For example, it is estimated that fully 70 per cent of any productivity increase is attributable to improved employee relations.<sup>22</sup>

This realization has become evident in pronouncements of those in the public sector who at one time could be counted on to decry the application of collective bargaining to education. The school reform of S.B. 813 has brought home the importance of full-scale participation by all elements of the school district. Words and phrases such as "ownership," "collaboration," "collegial," "shared decisionmaking," "shared responsibility," and "participatory" are commonly heard from these parties.<sup>23</sup>

## Conclusion

Excited about the conflict reduction and dispute prevention aspects of alternative bargaining methods, PERB is committed to generating a data base, raising their visibility to the parties within PERB jurisdictions, improving understanding of the methods, and facilitating their utilization by those parties both in crisis and not in crisis who are asking, "Is there another way to do this?"

In pursuit of research and practical training, PERB has had a practice of involving constituent

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<sup>20</sup>The ACSA study, referenced above, consisted of a survey of members. The survey found that collective bargaining was an accepted tool in the management of schools. It also found that over half the respondents believed that collective bargaining contracts undermine cooperation in the schools. At the same time, approximately 70 per cent of the respondents believed that the employee organization is strong, well-organized, and responsible in labor relations matters. Given the ACSA and state board surveys and PERB statistics which show that a majority of disputes come to the agency from a minority of the state's districts, it should be noted that "mature" labor relations are an achieved or sought-after goal of the majority of the districts in the state. For these districts, the motive for change will be quite different, i.e., not from a crisis mode. In any event it may be that PERB's focus on the subject is narrow simply because the agency primarily deals with those parties to the process who have problems.

<sup>21</sup>John R. Stepp and John L. Bonner, "States Tie Economic Development to Improved Labor Relations Climates," *Journal of State Government*, Council of State Governments (Jan./Feb. 1987).

<sup>22</sup>The NUMMI plant is a classic example, where the technology and methods of fabrication were the same after the reopening of the plant as they were before it closed. See Stepp and Bonner, *op. cit.*

<sup>23</sup>Indeed, at the recent PACE conference to review the progress of the first six educational policy trust agreements, the management and labor representatives were virtually indistinguishable in their endorsements of these concepts. As of this writing, it is not known whether a transcript or recording of the proceedings will be available; however, the National Public Broadcasting Corp. filmed the conference in preparation of a five-part special program on the MacNeil-Lehrer Report. The program is due to air in the spring of 1989.

groups and individuals via the PERB advisory committee. In this case, a subcommittee has been formed to focus on the topic. In addition to helping the agency staff formulate research, communication, and educational goals on the subject, the subcommittee will gather even more information on the degree to which alternatives are being practiced and their result.

A conference, jointly sponsored by PERB and the Institute of Industrial Relations at U.C. Berkeley, is scheduled for this spring. Also planned is a CPER publication which will describe the kinds of alternatives being tried in California, as well as in other states.

The Public Employment Relations Board has committed itself to a course of action that will result in the close examination of this emerging paradigm, stimulate dialogue about it, raise its visibility, and involve PERB constituents in its study and development. By way of operationalizing the results of this effort, PERB can be expected to encourage the development and application (especially in chronically troubled situations) of alternative methods of labor relations, suggest legislative initiatives if necessary, prescribe applications in difficult situations, stimulate education and training in its practice, develop resources, establish clinical applications, stimulate pilot projects for local variations, and involve PERB staff as facilitators and trainers.

Truly, there is a major shift underway in thinking and practice. The private sector has been leading the way, motivated by an urgent desire to improve product quality and remain competitive. The exciting prospect for all of us in public sector labor relations is that we may very well be the vehicle of improved product quality in our respective fields of education and public service.

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When you're working on improving employee-employer relations, you're really...

# Letting genies out of bottles

Steve Barber — California Foundation for the Improvement of Employer/Employee Relations

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*As I was boarding another indistinguishable airplane at the end of another long day of flip charts, rental car counters, and hurried calls instead of meals, I remembered that I had promised an article for the special education issue of the Journal of AQP.*

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**"I fear that unless the elements of the ends sought are integral to the means used to initiate and embrace the quality and participation paradigm it will eventually fail."**

**T**he deadline was but hours away; yet I had developed merely a mental outline since the commitment date a few weeks ago.

Then it occurred to me. I've got this wonderful story to tell my colleagues ushering in the quality and participation paradigm. "I'll do that!" I said to myself and save the clinical reportage for another time or for others better suited or more inclined to do so. But, how can I impart how I feel about what we are doing? How can I explain to others, who look at my schedule and pronounce me insane or addicted to work, what it is like to feel guilty to be paid for something you love to do?

How do you capture in words when one is not a wordsmith, poet, or novelist the wonderment, excitement, creativity, and energy that you see coming to life in school districts that just a few months before may have been better characterized by describing the skeletal remains of two scorpions locked in a mutually victorious embrace in the desert sand? So I thought I'd offer the same description I give anyone now who inquires into what the California Foundation for the Improvement of Employer/Employee Relations (CFIER) is all about: *We are letting genies out of bottles.*

*Watch out for a simple slap dab, top down application of TQM to education...* My congratulations to the AQP Journal for the foresight to pull together a special issue regarding what's happening to education today. I share the Journal's enthusiasm for the application of the paradigm of quality and participation to public education.

I'm concerned, however, that the application of this paradigm to educating and to educational organizations will be accomplished or attempted via the usual *top down* mandate by management.

*Ends and means must be consistent...* This has begun to happen already here in California, and I view it with alarm. I fear that unless the elements of the ends sought are integral to the means used to initiate and embrace the quality and participation paradigm it will eventually fail. To be thought of as "just another one of those fads that they wanted us to do" seems to be the fate of so many new ideas in education introduced without employee (union) ownership. This is a syndrome one often finds when you look closely at this very vital institution.

*Work on employee-employer relations first...* My prescription for avoidance of this syndrome is to focus first upon the *soul* of the organization: the relationship between employer and employee (union). By establishing the true participation of the employee (via the union when one exists) in the organization's decision making regarding direction and methods, a genuine shift to the quality and participation paradigm is assured.

Without employee (union) participation at this fundamental decision making level such a shift is seriously at risk. How we in California are bringing on such participation at this seminal level is outlined here.

## On genies and cork pulling

In both the statewide and local view a genie has been let out of the bottle. It's a friendly genie. It's also a user-friendly genie. Importantly, it's a genie that is responsible for heartening results during a very difficult financial time. This genie shows the promise of bringing on such a fundamental change in the employment culture that the positive promise of quality improvement through the application of a variety of models of employee involvement can be legitimately realized in public education.

As one who has been wrenching the cork from the genie's bottle school district by district, I am compelled to share this story with AQP readers even as it unfolds before me. It may well be a story that is premature in its telling. It is certain that you will be looking for further information because yours truly is so consumed in pulling the cork and introducing the genie that little time remains to tell the story, yet the telling of this story is imperative if we are to expect to see the kind of improvement in educational quality we all believe necessary to achieve the desired outcomes in our economy and social conditions.

**The genie defined...** The genie I'm referring to is the "human relations software" Tom Peters proclaims as so vitally necessary to the success of any organizational change. This genie precipitates such a fundamental change in the seminal relationship of an organization, that relationship between employer and employee, that positive, systemic change is inevitable, legitimate, and lasting.

The genie is personified through the application of a collection of non-adversarial principles and processes to the practice of employer-employee relations and collective bargaining. This collection of principles and practices is applicable in both unionized and non-unionized settings. Accurately called *interest based negotiations*, rather than *win-win* or *collaborative bargaining*, this collection of principles and practices is quite contrary to the traditional heritage of employer and employee relationships. The interest based approach eventually erupts in trust, understanding, and mutual commitment in this critical context.

## Why were we looking for change and improvement?

As we all know, in the mid-80s private industry was acknowledging a very serious wake-up call from abroad. As our culture seems more

comfortable in laying blame than in describing cause and effect, industry began looking for culprits to its demise. One culprit conveniently at hand was public education. However, the sad condition of education wasn't news to educators. By their own admission the quality of education provided in the public sector left much to be desired. We need not go into those statistics here as we know them only too well.

**Do we need a new collective bargaining style in education?** This fault finding by industry while injurious to the esteem and sense of worth of many well-meaning and highly educated folks involved in education was taken seriously and efforts were initiated to remedy what was seen. Among those efforts were inquiries into the impact of collective bargaining upon the quality of education.

These investigators determined that the way in which we engage in collective bargaining and employer-employee relations left practitioners fatigued and either presumed or resulted in an adversarial relationship between employer and employee (most usually articulated through the employees' union).

It was this finding that prompted the investigators to urge collective bargaining practitioners to seek out a more elegant means of engaging in their craft and handling the conflict that was inevitable in attempts to reconcile differing interests.

**Overload in California's public bargaining processes...** Within this context the Public Employment Relations Board (PERB) in California was faced with its own crisis of a growing caseload. Contrary to expectations at the time the agency was initially conceived (1976) the caseload of conflicts had not decreased. Projecting this caseload growth in the face of declining financial resources in state government stimulated the agency to call upon its constituent groups to join in a search for a less adversarial means of engaging in collective bargaining and employer-employee relations.

## The Harvard Negotiations Project...

Through a small committee composed of representatives from the major statewide employee and employer organizations in public education the search was on. The inquiry by this committee eventually led to the *Harvard Negotiations Project* and its publication *Getting to Yes* by Roger Fisher and Bill Ury.

## The starting and ending point

The acceptance of each other's right to participate in the management of the overall organization and subsequent abandonment of the adversarial approach to achieve positions (by denigrating each other's rights and interests) in favor of an approach that has each of the parties seeking to meet one another's interests.

## Trying a new way of bargaining

Even though PERB Advisory Committee participants believed that they had discovered a process that may have appropriate application to collective bargaining, a concern existed (which has since been borne out) that its application to the practice of collective bargaining would be difficult without some initial introduction to practitioners.

*Making the approach user friendly...* As a consequence, this small group transformed itself into a "curriculum committee". Its charge was to translate the conceptualizations of an interest approach to negotiations into a user friendly form. Armed with funding from the Stuart and Hewlett Foundations and an exhaustive survey of practitioners, the PERB Curriculum Committee did just that.

Its first application was in August of 1989 with union management teams from two school districts spending a week learning the elements of interest based negotiations and the principles of a positive relationship. Since that initial start up, intensive union management relationships throughout public school districts in California and Canada have taken the initiative to attempt their own transformation from adversarial relationships to cooperative ones.

*The genie outgrows its home...* With curriculum in hand, pilot project under way, and enthusiasm that knew no bounds, the PERB Curriculum Committee set out to introduce this approach to collective bargaining to as many school districts as it could. Along the way it was decided that this was not the central charge of the agency itself. It became evident that the project would best sustain itself by not continuing to reside within the halls of government.

The Curriculum Committee with the help of legislators, PERB, and the organizations comprising the coalition that had brought on the project created a not-for-profit foundation called California Foundation for the Improvement of Employer-Employee Relations (CFIER). This acronym seems apropos in that it was pronounced as in *cease firing*.

*Growing use of the new approach...* By the time the foundation opened its door in April of 1991, some 35 employer-employee relationships throughout California had been introduced to interest-based negotiations and positive relationship principles.

The foundation received further funding from the Stuart and Hewlett Foundations to carry on its work for another two years. By charging fees to participating teams to help offset some of the cost of the initial start up transition, CFIER has been able to expand the use of interest-based negotiations to more than 100 employer-employee relationships. These relationships are found in school districts representing a cross section of schools in terms of student population, geography, and demographic variables. The two classic motivations for change are also found in these school districts and unions: breakdown or a strategic decision to improve.

*Introducing the process to people and their organizations...* The introduction of this approach to employer-employee relations and collective bargaining is accomplished through a variety of offerings conceived by the foundation's volunteer curriculum committee.

One such offering is the original five-day, intensive introduction to the process and principles. Primarily designed for seriously dysfunctional relationships, the five-day introduction engages the parties in 65 hours of lecture, exercises, and negotiation simulations.

CFIER also has developed a shorter three-day version which it uses to introduce less at-risk relationships to this negotiations model. With the addition of appropriate follow-up facilitation of the process itself, both models seem to be effective to date.

## So is it working?

In a word, yes. But I must say that since the project is so new and because the parties most intimate to its implementation have little time for research, there has been no extensive neutral party research. However, in a short study conducted by CFIER itself, it was found that formal disputes filed with PERB dropped by 93 percent among the 25 original relationships to initiate an interest based approach. Other research work by the University of California and doctoral candidates throughout the state are showing similar results regarding both subjective and objective evaluations by participants.

Personal stories of positive experience from a handful of clients reinforces the heartening results reflected in the empirical studies. For example, one client reported the saving of over \$400,000 in seven months by discovering that it no longer

needed to resort to arbitration to resolve grievances. In another case, the client discovered that its grievance case load had dropped by over 70 percent.

More importantly, although it seems unlikely that there could be anything more important than the reduction of conflict between employers and employees in public schools, is the impact upon capacity of the negotiating parties to be creative in their solutions regarding negotiations and operational issues. At a recent annual conference, sponsored by U.C. Berkeley's Institute of Industrial Relations and CFIER, a number of employer-employee relationships practicing the interest based process eagerly volunteered to report their results to the world.

These management/union teams of negotiators and problem solvers were effusive in their reports of successful and creative solutions being crafted in response to the multi-variate problems they faced. From healthcare to curriculum and beyond, these union and management teams have found and are utilizing a non-adversarial tool with increasing skill.

As a principal consultant to CFIER, I have had the pleasure of introducing and facilitating the interest based approach and practice of positive relationship principles. And I am witnessing first hand the transformation of the employer-employee paradigm and the creative consequences of this change.

Success comes from the ends being sought being buried in the means utilized to create them. By operationalizing a few simple principles and techniques, these teams who for so long were at each others throats have begun to work together to solve common problems rather than level the accusatory finger at one another.

### **What does the future hold for us?**

As the rest of the nation begins to show signs of recovery from our very serious economic recession/depression, California slips deeper into the downturn. Coupling this economic earthquake with the structural deficiencies in revenue (brought on in part by the implementation of property tax relief measures enacted a decade earlier) has created a serious crisis in California's public education system. It is estimated that approximately one-third of the school districts of the state are insolvent and that the remainder barely survive.

In the face of this inability to solve the chronic and acute problems faced by public organizations by utilizing the usual resource of money, some union/management teams have had the pleasure of crafting creative solutions that meet their mutual interests.

**Moving on to improving education** — As they continue to resolve usual issues concerning terms and conditions of employment, they have begun to turn their attention and application of the process toward educational quality issues. In fact, it is often the solutions to terms and conditions of employment issues that stimulate and precipitate dramatic reform in the provision of education.

*The positive influence and experience with interest based relationships expands to new arenas... Just as observers of organizational development have been witnessing the abandonment of traditional hierarchical, authoritarian, organizational designs in favor of more horizontal*

***"Success comes from the ends being sought being buried in the means utilized to create them."***



Steve Barber began his career in state government in 1972 after completing graduate work in political science at San Diego State University. Barber's service in the bureaucracy includes stints as a deputy director of an office in California's Health and Welfare Agency and the post of assistant executive director of the Public Employment Relations Board. He served in that capacity for 15 years, leaving PERB in 1991 to help develop CFIER. Currently, he handles client services for CFIER.

and participatory structures, one can witness this happening within the school systems utilizing an interest based approach to employer-employee relations, collective bargaining, and problem solving.

We have seen employees holding management accountable and committed to the process. In other cases we have seen management remind employee organizations of their obligation to ensure the participation of their members in a program to which they are committed. In both cases, however, at least within the context of union/management relationships there is a high level of commitment to the process and the results that are thereby realized.

*Will the customers be satisfied?* The CFIER project is a fundamental response to these demands from the customers of public education: industry and the public. The coalition of teacher and non-teacher unions, management, and trustee organizations that came together in direct response to those pressures opted to be very careful in their search for a solution.

Happily, it appears that the results of their efforts will bear dramatic fruit in a time frame that will insure long term success, rather than reaching for the immediate bottom-line gratification.

The acceptance of each other's right to participate in the management of the overall organization and subsequent abandonment of the adversarial approach to achieve positions (by denigrating each other's rights and interests) in favor of an approach that has each of the parties seeking to meet one another's interests, portends solid success for the future.

It is clear to me as an observer and practitioner, that the process and principles of the interest based approach are more amenable to our multi-variate reality than the offer-acceptance approach to negotiations has ever been. ♦

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On quality and participation disconnects

# What do you mean... I might be illegitimate?

Steve Barber — Improvementworks

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*"I fear that unless the elements of the ends sought are integral to the means used to initiate and embrace the quality and participation paradigm, it will eventually fail."*

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**A**bout a year ago I wrote that sentence in an article for this *Journal* which chronicled the birth and development of a non-profit organization that is introducing real, live, peaceful collective bargaining to unions and management in the public schools.\*

I considered it to be the central point of my story telling in that article. Yet, because I've had to point it out to so many who've read that article (my wife says that no one understands my sense of humor either) I thought that I would focus upon this observation a bit more pointedly this time.

And it's not just my ego telling me to write some more about process failure and the importance of legitimacy. My incoming mail from those of us organizational development and quality professionals who read the *Journal*, present the concepts of participation and quality to the world, and otherwise assert its utility as a viable means of managing organizations bears witness to the need for thinking more about this problem. If the content of the mail is any indicator at all, I'd say that this problem deserves a good deal of focus and discussion within this community. Accordingly, let me, please, invite you to write to the *Journal* or to me directly with your own thoughts on this subject.

Now I'll tell you what my mail has been telling me: it's (quality and participation) not happening!

## It's [quality and participation] not happening!

Somewhere between 60 to 80 percent of all the quality initiatives in the private sector have either failed or stalled. Exclamation point!!! Sixty to eighty percent. Is this just hyperbole and advertising from firms looking for more work or really a reflection of a trend? I don't know about its trendworthiness, but I can say from my own experience and from that among my colleagues' clients there is some fire creating this smoke.

If this is even partially correct, I think that I know why those that have stalled or failed have done so, and I think that I said it in my *Journal* article about CFIER last year. Again, here's what I said:

*"I fear that unless the elements of the ends sought are integral to the means used to initiate and embrace the quality and participation paradigm, it will eventually fail."*

Let me say this in plainer words and not buried in some other context this time:

*The reason that quality initiatives are either stalled or failed is that they were probably not legitimate in the first place!*

\* The organization, CFIER (California Foundation for Improvement of Employer-Employee Relations), is perhaps responsible for introducing a non-adversarial means of negotiating and communicating to more labor-management relationships than any other program of its kind (CFIER has a client list of at least 300 relationships as I write this, and it is growing).

## So what is this thing, legitimacy?

And why does it matter? To answer this and to address the issue one must think in very basic social and political terms. With apologies to my professors and colleagues in political science for failing to adequately attribute and reference their work in this field, I see legitimacy from the perspective of decision making, as would the political scientist.

Now, please don't turn me off yet; because you aren't interested in politics or you want to keep politics out of the office. As Joel Barker warns us all, the solution to the knots in your own paradigm may come from outside it. So, lest you disregard the idea because of its source, read on.

**To understand legitimacy, start with authority** — Allow for purposes of our discussion the observation that most, if not all, decision(s) in and about the workplace: the strategy of the organization, the program or product, and support for doing of that program or product must carry some authority with them before anything happens — authoritative decisions make things happen.

The HOW of how authoritative decision(s) get made goes to the heart of the matter. If an authoritative decision is not legitimate or perceived as legitimate, there is little chance of it being carried out effectively or to the benefit of the enterprise and those who derive their living from that enterprise.

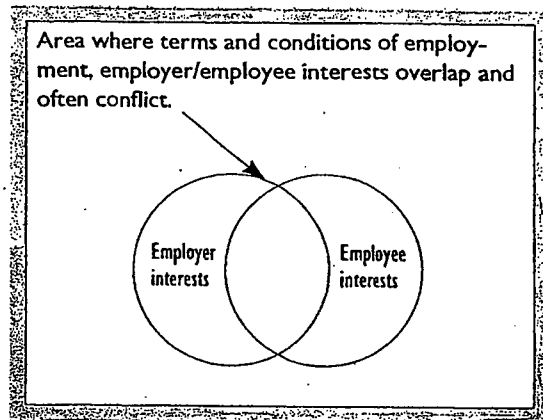
In businesses or any organization that provides goods or services such as government, the most commonplace focus for authoritative decision making is between employer and employee. This relationship may be as simple as the one between supervisor and subordinate or as complicated as between union and management or governing body and executive or executive and middle management, et cetera. **[1]**

Because of the nature of this relationship and its location within any enterprise I have taken to calling it the seminal\* relationship. If decisions made in this relationship or which affect it are not legitimate, the desired consequences will not last, if they appear at all. The authoritative decisions taken in and about the terms and conditions of employment are those which cause things to happen (or not happen) in production and support.

Authoritative decisions about the application of human resources to information, knowledge, or capital investment are what we are talking about.

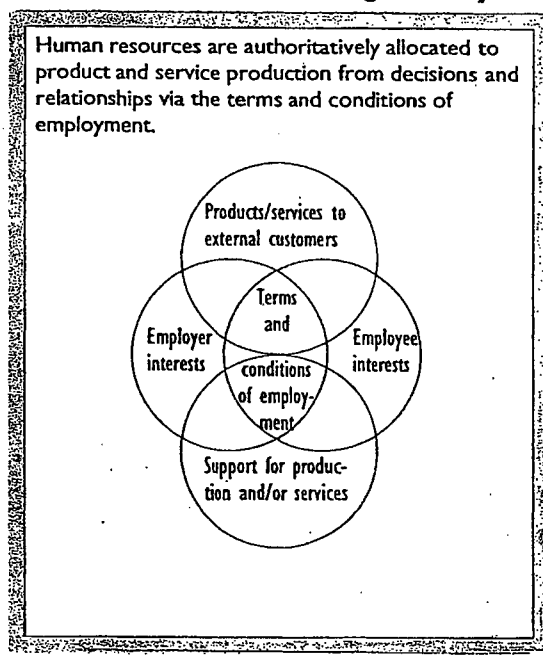
## Locating the authoritative decision making employer-employee relationship...

Because of the nature of this relationship and its location within any enterprise I have taken to calling it the seminal\* relationship. If decisions made in this relationship or which affect it are not legitimate, the desired consequences will not last, if they appear at all. The authoritative decisions taken in and about the terms and conditions of employment are those which cause things to happen (or not happen) in production and support.



## Allocating resources from the source of legitimacy...

Authoritative decisions about the application of human resources to information, knowledge, or capital investment are what we are talking about. Enterprises make products or provide services through and as a result of the decision making that goes on in the employer-employee relationship.



Enterprises make products or provide services through and as a result of the decision making that goes on in the employer-employee relationship. **[2]**

**There's a reason why we don't have empires anymore** — And there's a reason quality initiatives get treated like a fad by too many managers, executives, and participants. History has shown us, in both business and politics, that authority without legitimacy may get things done very efficiently for awhile but in the

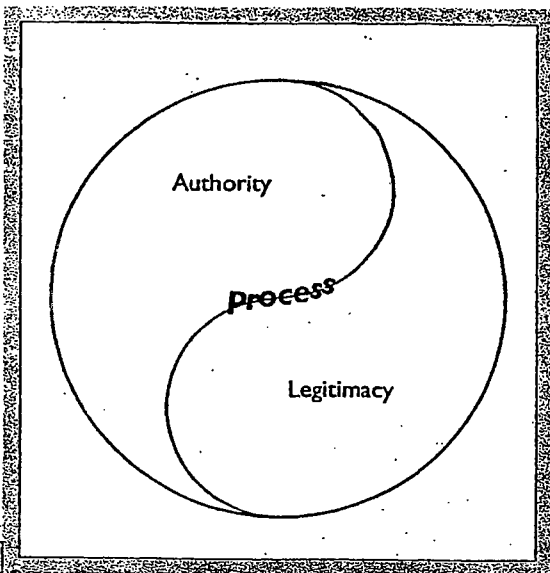
\* *Seminal*: a seed. Like seed: in being a source or a first stage in development

## The parts of effective decisions are inseparable from the process of decision making...

Effective decisions, those that are impactful, lasting and empowering, need both authority and legitimacy.

The fall of the British and French colonial empires, and the Soviet Union are examples of what happens to authority that had no legitimacy to begin with, loses the legitimacy it once had by violating the contract between rulers and the ruled or employers and employees, or doesn't respond when new values associated with legitimacy emerge.

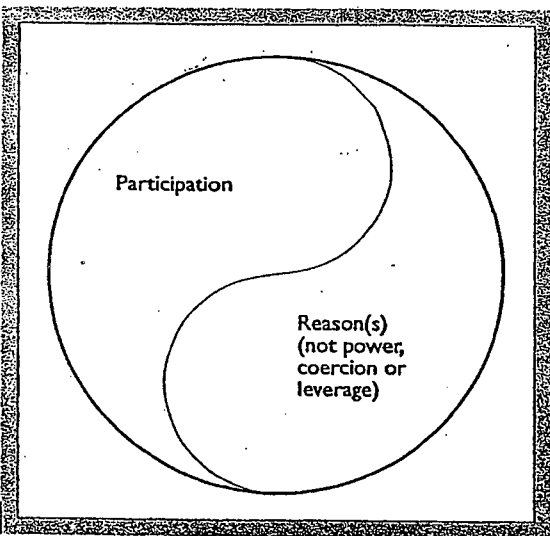
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Legitimacy is composed of two significant and inseparable parts.

Absent either of these or experience an imbalance between them, and you will have something other than legitimacy.

4



long run nearly all such organizations fall because they lack the seminal resource — legitimacy. The fall of the British and French colonial empires, and the Soviet Union are examples of what happens to authority that had no legitimacy to begin with, loses the legitimacy it once had by violating the contract between rulers and the ruled or employers and employees (the fall of Eastern Airlines may in part be attributed to this type of lost legitimacy), or doesn't respond when new values associated with legitimacy emerge. 3

**A closer look at legitimacy** — The concept of legitimacy is composed of two significant and inseparable parts, which are that:

1. Decisions, to be legitimate in the eyes of those responsible for carrying them out, must be based upon a reason or reasons, other than power, coercion, or leverage...
2. Decisions, to be legitimate in the eyes of those responsible for carrying them out must be the consequence of some participatory process. 4

Absent either of these or experience an imbalance between them, and you will have something other than legitimacy.

Without these two key ingredients, you will not have a legitimate decision. I would suggest to you that an examination of most failed or stalled quality initiatives will reveal a significant lack of one or the other of these ingredients of legitimacy at a very critical decision point:

- When the enterprise decided to get involved in a quality or participatory initiative in the first place...
- Or at some similar choice point regarding commitment (usually management) or participation (usually employee union) along the way.

This is what I have found virtually without exception when I am asked to diagnose organizational problems and prescribe solutions.

## The heart of the knowledge age

Just as Tom Peters is announcing the end of the industrial age because a company with only the human imagination as its primary asset (Microsoft) has exceeded the stockmarket value of the penultimate American industrial giant, General Motors, along comes Professor Peter Drucker to announce the end of the age of productivity and the dawning of the age of knowledge in his new book, *Post Capitalist Society*.

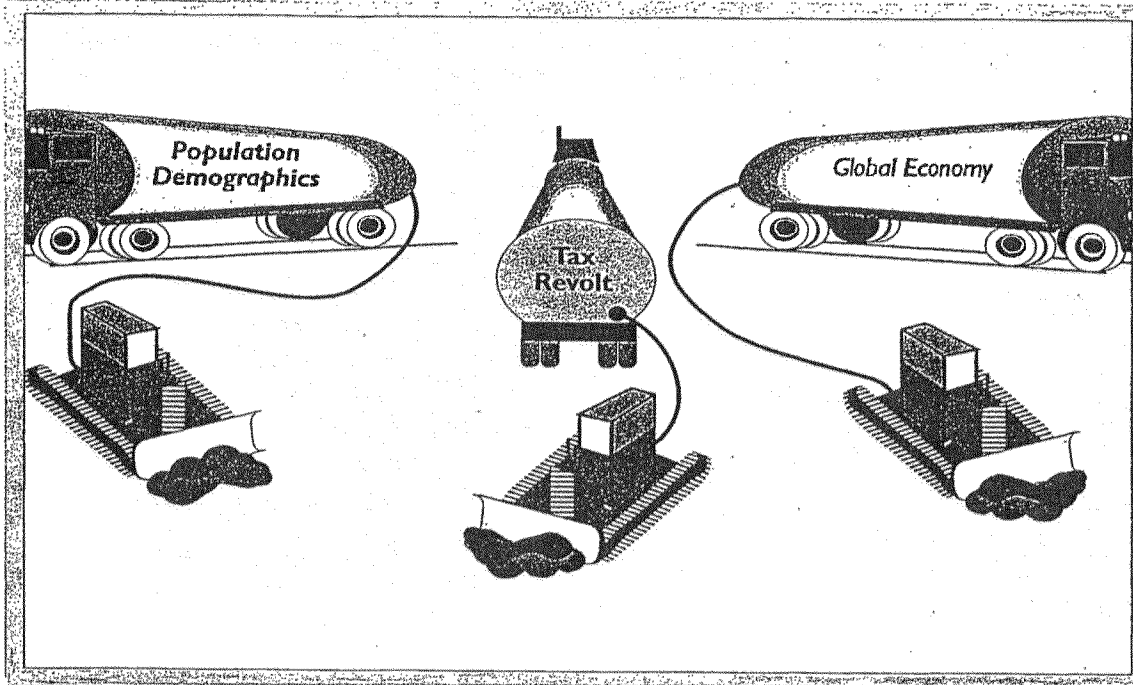
Drucker and Peters both exhort and imply that this dawning age of knowledge with a collection of variables alien to business as usual in the employment relationship will require serious dismemberment of familiar and inherited organizational structures. Here's a mere taste of Drucker's new message: the new definition of manager/management is related to the only true resource, knowledge, labor and capital being but constraints rather than resources!... the knowledge worker cannot be supervised!



## Three fuels of change in the public sector...

**What happens if we don't change?**

Well, you become part of the road instead of being one of the bulldozer drivers creating the new road to success according to Frank Ogden (Dr. Tomorrow, Vancouver, BC). There is a way to embrace change and not become part of the road. The way to do this is to practice principles which result in legitimate decisions. These principles are operationalized via process.



likes! Much of the private sector is still trying to get the first two ages/revolutions right! And the public sector is barely aware of the productivity revolution let alone introduced to it.

*The importance of the employer/employee relationship is at the heart of the knowledge age...* A recent publication written by the father and son team of Barry and Irving Bluestone put the importance of this seminal relationship in perspective. The Bluestones assert:

*"The bottom line: in the modern era with capital and technology so mobile, global competitiveness depends increasingly on the structure and quality of employer-employee relations. Getting this right in America will likely play a greater role in raising productivity than any other single factor. Essentially the engine for efficiency growth begins with retooling the relationship between labor and corporate leadership. (emphasis added)."*

*Downsizing is an illusionary potion...* Two recent studies, now being cited by Secretary of Labor Robert Reich as he urges management and labor to embrace a more cooperative approach to the challenges of a global economy, are even further evidence that the Bluestones are spot on about the importance of the employer-employee relationship and the survival of the enterprise.

Reich has been quoting one study by the Wyatt Company and another by Prof. Kenneth DeMeuse of the University of Wisconsin which indicate that downsizing through layoff neither improves nor stems declining financial performance.

### So, now what?

These noted researchers, thinkers, and gurus of the changing world are, I believe, very correct in their assessment of things. Absent a change in the seminal relationship — the relationship between employer and employee — there will be no change at all.

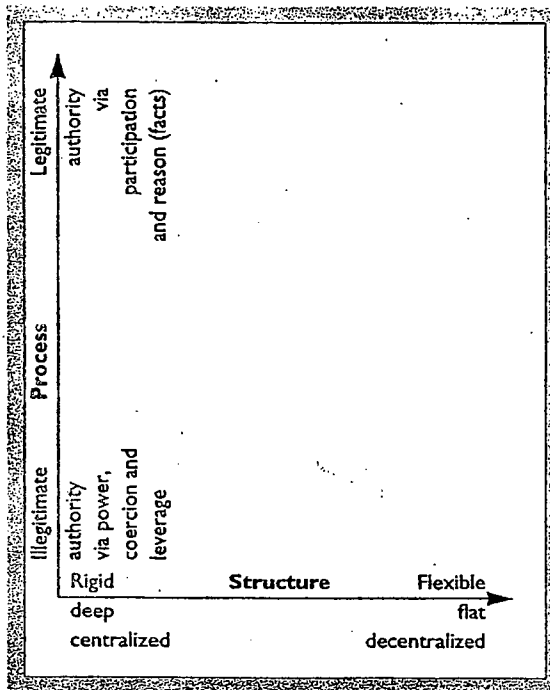
*What happens if we don't change?* Well, you become part of the road instead of being one of the bulldozer drivers creating the new road to success according to futurist, Frank Ogden (Dr. Tomorrow of Vancouver, BC). [5]

Which gets me back to another point that I made in my article last year. There is a way to embrace change and not become part of the road. The way to do this is to practice principles (such as those highlighted in the writings of Stephen Covey and Peter Senge) which result in legitimate decisions. Such principles are — must be — operationalized via process.

## Process is the independent variable...

It's process, not structure that is the most important variable in reorganizing, reinventing or reforming for success. The independent variable is process. Structure must be thought of as the dependent variable.

To reinvent, reorganize, restructure you must first look at the principles, operationalized by process, embodied in the seminal relationship of the organization.



6



Steve Barber has been a pioneer in the introduction of non-adversarial negotiations and communications to the public and private sector labor and policy negotiations. Barber has served as the aide to state legislators, a deputy director in California's Health and Welfare Agency, and as the deputy director of the Public Employment Relations Board. After sparking the establishment of CFIER, Barber left state service in 1990 to consult with clients in both the private and public sector. He can be reached at 916-791-2748.

Success is not about boxes, top-down or bottoms-up, how flat your organization is becoming — It's process, not structure that is the most important variable in reorganizing, reinventing or reforming for success. This is bad news for those of us who were taught and believed that structure was THE independent variable for success in managing organizations. [6]

The changes needed to survive into and thrive in the 21st century or the age of knowledge won't be found in structure. The independent variable is process. Structure must be thought of as the dependent variable. I think this is the message of the anecdotes and vignettes of Peters, Drucker, Deming, Bluestone(s), and Osborne and Gaebler, and futurists like Joel Barker.

So, what is the message to be seen in the success stories among myself and my colleagues; clients:

To reinvent, reorganize, restructure you must first look at the principles, operationalized by process, embodied in the seminal relationship of the organization.

Start from there or ready yourself for more disappointments and failures. ♦

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## WATCHING THE PARADIGM SHIFT

by STEVE BARBER

*Steve Barber is a trainer and facilitator for CFIER, and a consultant in private practice. His clients include State legislators, local government and a range of private sector organizations. Barber is a pioneer in bringing non-adversarial approaches to the labor relations arena.*



Steve Barber

Have you begun to notice that since World War II the political and social institutions which western civilization spent the better part of 1100 years developing seem not to be able to cope with the exponential changes we are experiencing in technology, information, knowledge, demographics and population? The visitation of the global economy upon North America has seemingly emerged from the back pages of the newspaper business section to daily headlines almost overnight. And all of this while everyone is telling us how we *ought* to look in the future, but no one seems to be able to tell us *how* to get there.

Well, you've come to the right place! As many CFIER clients are discovering, the starting place is at the core of the enterprise, the seminal relationship as many have heard me call it, the relationship between employer and employee. Examine this relationship in virtually any enterprise and you will probably find its reflection throughout the organization. Change it and you will see the changes reverberate throughout. This seems evident to those of us who have been doing it. However, I mention it here yet again in order to set a frame of reference for some very good reading about what a successful combination of enlightened management philosophy and employer-employee relations methods look like.

As you examine what appears in periodicals and books about what the impact of the global economy (it's a competitive world, stupid) will probably look like in your corner of the world, you can indeed say to yourself "I know how to get there from here! My CFIER-introduced process offers the initial step." Being able to say that should give you deep comfort as you read a collection of articles in the official publication of the American Society for Quality Control, *Quality Progress* and a book entitled *Negotiating the Future*.

### NEGOTIATING THE FUTURE

*Negotiating the Future*, by Barry and Irving Bluestone examines the history and response of both labor and management to social and economic challenges of the past, helping the reader to understand how people seem to define labor/management relations as adversarial "by nature." Their observations and urgings about surviving and thriving into the future draw heavily upon the approach of modern man-

agement thinking as reflected in such giants as Deming and Drucker. Focusing upon employee involvement the Bluestones paint a picture of the future workplace based on the actual success unions and managements have had to date in such places as the Saturn and NUMMI automotive plants.

Yet we know that strategic change, as opposed to "fresh paper" start-ups like Saturn or start-ups-from-the-totally broken such as at NUMMI, comes reluctantly, if at all, without the ownership of the decision to change by those who are expected to effectuate it. From my perspective the explanation behind the lament of the "quality community" with regard to current assessments of stalled or failed efforts at "TQM" or "OD" lies in the absence of the legitimacy of the "quality initiatives" in the eyes of labor and middle management. The CFIER experience is showing us that the success of the ends is buried in the legitimacy of the means of getting there.

### UNION PRESIDENTS SPEAK

So it is then that the articles by the union presidents of the Steelworkers, United Auto Workers, Communication Workers of America, and Amalgamated Clothing Workers (the Xerox Corporation union) and by researcher Sidney Rubenstein (all appearing in the September 1993 issue of *Quality Progress*) are focused upon the next iteration in the emergence of truly enlightened management philosophy workplace democracy from the shop floor to the boardroom! Before you scoff, remember what people were saying about non-adversarial negotiations in collective bargaining, the ballpoint pen, and the "made in Japan" label before the paradigm began to shift? I think that in these articles we may very well be getting a good glimpse of the future.

The articles focus upon the successes that unions and management at the executive and workplace levels in these industries have had in the past few years as they have struggled to confront the challenge of the global economy. The one consistent ingredient found in each of their individual recipes is legitimacy or democracy. What is emerging as the modern workplace is a process of managing the enterprise by the unions and management that reflects the democratic values of our overall culture rather than attempting to sustain the values of autocracy where we work while practicing and believing antithetical values everywhere else.

Both the Bluestones' book and the article by Rubenstein introduce us to a defining concept: they distinguish the traditional and familiar collective bargaining agreement from the type of agreements which are emerging in the world of union and management cooperation. The former, focusing on immediate conditions, are termed workplace contracts

Continued on page 1

# KEPPEL UNION TEACHERS ASSOCIATION AND KEPPEL UNION SCHOOL DISTRICT IMPLEMENT AN INTEREST-BASED GRIEVANCE PROCEDURE

*By Ian Walke, Pacific Network for Dispute Resolution*

The Keppel Union School District and the Keppel Union Teachers Association report that they are excited about the conclusion of their negotiations for the 1993-94 school year. The reason for the good feelings is because of the inclusion in their contract of an interest-based approach to their grievance procedure that assisted in the acceptance of the concept of binding arbitration.

The key departure in the process occurs if the grievant is not satisfied with the proposed resolution of the grievance at the administration level. The new process requires the Superintendent to convene a Grievance Resolution Committee comprised of no more than three representatives from the Teachers' Association and three from the District, who meet with a neutral third party selected from a panel. The role of the neutral third party is to facilitate/mediate the Committee for the purpose of reaching a consensus for resolving the grievance. The language specifically states that:

"Meetings of the Grievance Resolution Committee are to be conducted with the purpose of exploring the parties' mutual and varied interests, creating options for resolution and selection of the option(s) that best meet the interests of the parties in resolving the grievance. It is *not* the function of the Committee to determine rights, hear evidence or assess violations of the contract."

Resolution of the grievance is achieved in one of four ways:

1. If consensus is reached, that consensus is reduced to writing, signed by the Committee members and is final and binding on the parties.
2. If consensus is not reached within 15 days but a majority opinion exists, the majority opinion is reduced to writing, signed by the concurring members and is binding on the parties.
3. If no majority opinion exists, the neutral offers a proposed resolution and if any three or more members of the Committee concur, that suggestion is reduced to writing, signed by the neutral and concurring members and becomes final and binding on the parties.
4. If there are not three concurring members, then the neutral acts as an arbitrator and submits a written decision which is final and binding on the parties.

As Evelyn Hall, President of the Teachers' Association observed, "We jointly worked out the formal procedures for grievances we had tried to change for years, but weren't able to. I attribute the success of our negotiations to the interest based bargaining process." The Superintendent, Jean Fuller, notes that "The interest

based negotiations process has been tremendous for the District and produced a win-win in our negotiations... Due to a new trust and understanding of each others' interests, both sides were able to sit down together and work out an acceptable process for a formal grievance procedure."

The new procedure was also being adopted in the Classified contract. If you would like more information on this grievance process, please contact any of the parties or call me at (209) 683-3839. (*Editor's note: Ian Walke facilitated the negotiations between the Teachers' Association and the District.*)

## PARADIGM SHIFT—

*Continued from page 4*

The latter, encompassing the immediate as dependent upon the overall condition, are termed enterprise contracts.

While Bluestone and Bluestone call it the "enterprise compact" and Rubenstein calls it the "new employee contract" they are essentially introducing us to the same concept: union and management making a transcendent agreement to manage the enterprise together, to abandon the autocratic remnants of the adversarial past and embrace the legitimate, participatory future. How this is done is well described in overview and descriptive terms. We are treated to solid, real world examples of the look of this future paradigm. The enterprise of the future looks more like community than otherwise; it is a learning environment, and it is not easily accomplished.

But the how? question lingers. What it looks like once you're there is the inspiring focus of these descriptive works. Yet what about the behaviors and emotions involved in getting there? From our experience with CFIER clients who are trying these descriptions, we hear "it takes time and commitment", "you mean we have to include them?", and "wow!, we didn't think about that solution on our own!" A process or recipe for legitimacy means building consensus, step by painstaking step.

The Bluestones, Rubenstein, Sheinkman of the Clothing Workers, Bahr of the CWA, Bieber of the UAW, and Williams of the Steelworkers inspire us to know that it can be done. The CFIER process is a big piece of the "how" puzzle.

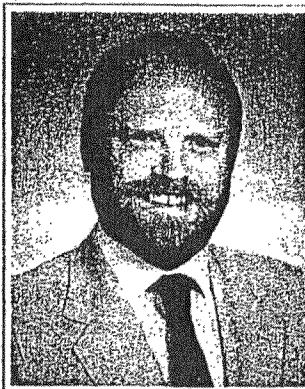
# NEGOTIATING MONEY ISSUES

By STEVE BARBER

*Steve Barber is a trainer and facilitator for CFIER, and a consultant in private practice. His clients include State legislators, local government and a range of private sector organizations. Barber is a pioneer in bringing non-adversarial approaches to the labor relations arena.*

In the course of responding to inquiries about the use of the interest approach in negotiations, I was confronted with a number of assertions, one of which went something like this: "This stuff might be okay for most things in labor relations, but it will never work on money issues!" My response was that in all the negotiations that I have facilitated over the past three years, I've yet to see the process NOT work on money issues!

This idea that the interest process will break down when applied to money issues is, in my view, a misconception that is relegated to the category of myth each time I see people reach satisfactory financial agreements. So let's take a look at why it's just that, a misconception.



Steve Barber

## CONTRIBUTING FACTORS

The misconception likely develops from the presence of other factors not related to money at all. These factors can cause trouble that could wrongly be blamed on an attempt to negotiate money issues. The first of these contributing factors might be the collapse of the process when the practitioners fail to carefully separate out the relationship issues from the substantive issues, with the resulting failure to deal with and resolve those relationship issues. This breakdown usually results in the placing of a heavy burden on issues of substance—all messages and interactions on money issues become highly charged with the need to address matters of relationship.

This is often seen in financial demands being used to communicate needs for acknowledgment and acceptance or for recognition of commitment and hard work as compensation for not being well treated in some way. It also occurs when the intended message is that there is a lack of trust in financial numbers being relied upon because of how the data was compiled and maintained. Response to demands of this nature are often of the "back at ya" type and the negotiations degenerate into being positional.

The process of negotiating money can also collapse when the parties have a relationship issue of a different nature: For fear of damaging a positive relationship they are building, they engage in behaviors which avoid financial issues, or which do not accurately or adequately meet the interests of the constituencies of one or both parties. Constituency reactions are almost predictable: employee organization members want to throw their negotiators out while boards, county offices and the public threaten to take over the reins, start their own schools or tighten the strings further.

## Un-Learning & Re-Learning Are Needed

Another contributing factor is that frequently the parties may not allow an adequate amount of time for the learning curve to take hold. There is probably more to unlearn than to learn when it comes to using an interest approach. Unfortunately, even when the parties

are committed to using an interest based process, habitual negotiators engage in positional thinking "as natural" and slip into positional bargaining almost by default. This lack of an adequate acquaintanceship with the new approach causes anxiety and recrimination among the parties. Those among them who discounted the interest approach all along relish being able to say "see, I told you so" and happily embrace the positional behaviors and language.

The lack of being creative and adequately brainstorming is another contributing factor. Despite our efforts in training and use of facilitation techniques to stimulate thinking "out of the box," there seems to be a cultural barrier to being creative.

I cannot tell you, for having given up counting the occasions, how many times all that the parties needed to do was a little more brainstorming! Far too frequently the process collapses because after one or two options have dribbled out in the negotiations, the parties look at each other and say "now what?"

Related to this factor, is the behavior by the parties of "saving the hard part for the last", meaning that they negotiate and settle everything else and then turn to the monetary issues. This creates a self-fulfilling prophecy because they've tied their hands and become boxed in by not leaving themselves anywhere to go with creative solutions to operational issues which could address interests around compensation.

## THE PROCESS CRAFTS THE SOLUTION

Following are some pointers on the interest-based process that should help avoid problems in the negotiation of substantive issues.

In order to avoid the collapse of the process it is imperative that the parties *separate the substantive issues from the relationship issues*. This approach helps clarify the messages and allows the parties to address what's not working in the relationship and thereby improve communication, trust or partnership rifts. Substantive issues can then be dealt with on their merit rather than being weighted down with the impossible burden of conveying hidden messages about feelings and the relationship. So many times I have seen parties wake up to this fact, surface and resolve their relationship issues, and then to their amazement, tackle and resolve issues of substance quite rapidly.

*Telling the story* is a critical step in the interest process, and will support successful negotiation of money issues. This describing of the problem (opportunity) takes a lot of time, might seem boring and may feel like you're not getting anywhere, but it is vital to dispelling the assumptions that the other side views the world as you do. An adequate grasp of the situation is a must for success. This involves jointly determining what information and data are needed, jointly gathering and assembling the required information, being aware of the perspective of the other party and developing a

common understanding around the data. Time spent up front describing the situation is time well spent in crafting solutions around compensation interests.

It is key, also, to be aware of and *honest with your interests*. Breakdowns can happen either when an important interest is not presented or when a real interest is concealed. The former occurs when a particular constituency group is not represented on the team or has otherwise failed to make its interest known; the latter occurs when a party is embarrassed to present a true interest! (For example, if saving jobs is presented as more important than a negative impact of paychecks when the reverse may be true.) When interests are missing or misrepresented, solutions may be impossible to achieve. Or if a solution is crafted, it will miss the mark and either risk rejection by the constituency or contribute to an unstable agreement.

The *creative brainstorming* process is the interest negotiator's best friend. It helps the parties find those options and criteria which solve the problem and meet the parties interests. Most solutions to the money issues I've seen come as a surprise to both parties, are unanticipated, creative and rational.

Importantly, the most creative efforts are those which are jointly pursued from the beginning of the process. Successful interest negotiators abandon the "what we can give" and "what can we get" mind frame. This is not just a conscious choice of language used but also a result of the actual use of the principles through joint data gathering, interest exploration, option building and searching for mutual gain.

### SOME CREATIVE SOLUTIONS

Over the years, some of the solutions I've seen to money issues are listed below. In reviewing these options, it is very important to note that there is no "right" way. There is danger (and limited thinking) in assuming that something will *never* work or *always* work. The only test is: Does the solution meet the interests of the concerned stakeholders.

- Pay and benefit contributions cut in order to maintain salary schedules, jobs and benefit levels; or conversely, layoffs mutually agreed to in order to meet compensation interests of minimal impact on paychecks for remaining employees;

- Predetermined formulas adjusted to accurately reflect economic changes and shifts in benchmarks, in order to distribute available revenue fairly;
- Fundamental operational changes that cost some money but added nothing to anyone's paycheck, in order to meet professional interests with limited funds;
- Relationship issues of communication and acceptance addressed head on in order to avoid mixed messages and worsening relationships by pretending that money can buy a friend or overcome an insult;
- Joint negotiation with certificated, classified and management to insure all interests are covered;
- Genuinely joint budgetary and strategic planning processes designed and initiated to prepare for a predicted future of austerity and hostile economic conditions;
- New and creative solutions to bussing in order to maintain class size language, and save money that was allocated to benefit compensation;
- Strong efforts to involve and inform constituent groups before and during negotiations, in order to make sure real interests are being met;
- Much greater attention paid to creating and sharing accurate and complete financial data that all parties felt they could trust. This has even included jointly sponsored audit procedures that brought in a neutral expert to help the parties sort out money issues and craft objective standards;
- Many efforts which challenge old paradigms regarding health benefits, and involve exploration of wider options to meet health care needs;
- Employee run operations in order to avoid contracting out.

We invite you to share with us what has worked and not worked for you when using the interest approach to negotiate financial issues. Send in your observations and creative solutions to *Viewpoints*, care of the CFIER office, 1325 Howe Avenue, Suite 210, Sacramento, CA 95825, or fax to (916) 567-0776, and we will publish them in future issues.

### CHANGE OF ADDRESS?

Please update the address label on the reverse side of this form by providing the new information below.

Name \_\_\_\_\_

Title \_\_\_\_\_

District/Organization \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ FAX \_\_\_\_\_

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*Shifting from confrontation to participation in decision making: the interest-based paradigm...*

# Navigating the emerging decision making paradigm

Steve Barber — Barber and Gonzales Consulting Group

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*I have been asked many times to describe what I do and how I help organizations learn a new, a different and better way of making decisions. But this time it started with an out-of-right-field question that really threw me for a bit.*

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**W**e were sitting in a standard issue government cafeteria in the Department of Labor, taking a break from a meeting of state directors of area labor-management committees. As I was gazing into the styrofoam cup trying to figure out how anyone could do this to coffee, the guy sitting across from me says, "what's your metaphor?"

I almost spilled my coffee as I jerked my head up to look to see who had asked such a quirky out of the blue question. The guy who asked the question was Ned Hamson. I had met him briefly that morning when the meeting started. He had asked me where I was from. After I said Sacramento, California, he simply said, "Hmm. I grew up in LA."

For the moment being from LA helped to explain the strange question. Then he asked again, "What's your metaphor? The one that explains what you were talking about this morning?" I had to stall, since I didn't have an answer as yet. I said, "Ah, what's AQP and what do you do?" As he explained AQP and that he was editor of its journal, the metaphor began to take shape in my mind's eye. Then we had a most interesting conversation and were late in getting back to the meeting.

Even though four years have passed since that conversation, the metaphor that came to me that day still describes for me what change, changing (especially how groups make decisions) and paradigms are all about.

*The when-you-realize-you'll-have-to-change metaphor...* I'm cruising down the freeway in my very comfortable and well broken in car. I'm going the speed limit and suddenly I'm nearly blown off the road by some guy in something that looks like it might be a car, but I can't quite tell because it went by so fast. To keep up with whatever it was, I know I'd have to replace my engine, drive train, wheels and tires, body and the steering system. Worse yet, I realize that I will have to do it while I'm still driving what I have because I can't afford to start from scratch. Then, just ahead I see a "No speed limit" sign.

If the metaphor fits what it felt like when you or your organization realized that change was necessary and if you are the one who will have to help the organization out of being so comfortable in its old car (organization), the next question always is: where do we start?

As my focus is both systemic and paradigmatic, I begin with the most basic, every day act that people in all organizations do everyday: communicate with each other and make individual and group decisions. The style I use is interactive and makes use of lots of pictures or diagrams that compare the old and current model with the emergent model — the new paradigm of decision making and communication. **I**

**So where do we start?** We begin with the basics: two parties in an organization negotiating their differences over terms and conditions of employment. What are they trying to do?

They're trying to reach an agreement, right? So, then, let's say that reaching an agreement is a consequence of something: *meeting of minds*. A *meeting of minds* is a consequence of something we call understanding. The question is then, what creates understanding?

### Understanding understanding

Successful problem solving, like negotiation, is essentially a consequence of the parties to an issue understanding it well enough to have a meeting of the minds about the issue and the solution. Understanding, *coming to know* or *be known* in the mind of another person or group, is a consequence of communication. But what is communication? What does it look like?

The interesting thing about talking and listening is that it doesn't have as much to do with words, eardrums, and vocal cords! We understand each other through communication but, how do we talk and listen? [2]

Communication involves the orchestration (as an individual or as a group) of three types of behavior: words, affect, and ritual and practice.

**Communication through words...** Language, either verbal or written, is used to convey or memorialize information and knowledge about the situation at hand. When making decisions or solving problems, there appear to be three word categories:

1. Words with which we set forth the situation or issue...
2. Words used in the ritual and for affect...
3. Words that memorialize solution and agreement.

**Communication through affect...** Affect is non-verbal posture, body language, tone of voice, facial expression, demonstration or lack of emotion. It includes such things as volume, intensity, and timing. It has many cultural constraints and connections, and often conveys commitment, urgency, intensity.

**Ritual and practice...** Ritual and practice involves *who* does or says *what* and *when*. Ritual includes assumptions and principles about how success is accomplished. It's both a learned and taught collection of steps, sequences and protocols that guides behaviors between and among the parties to the issue.

### What is interest-based decision making?

An interest-based approach to communication, negotiation and problem solving is a non-adversarial means of achieving decisions or even just being understood in a discussion or dialogue with others. It is a collection of principles and techniques familiar to anyone. These principles include concepts such as:

- Focusing on issues not personalities...
- Making decisions based on an objective reason rather than power or coercion...
- Accepting all motives or interests as givens, rather than evaluating those interests as right or wrong.

Interest-based decision making includes recognizing that human beings are just that and as such we usually find ourselves in *relationship* to others. Because of this, the human element in any situation must be taken into account and focused on as much as the substantive if one is to achieve a good and lasting situation rather than a win (a win often guarantees that an enemy has just been created; one who will do everything possible to insure a lose next time, or as the late Jesse Unruh would say, "Don't get mad, get even.").

Although the components are familiar, to work well and serve as a tool for developing organizational effectiveness in the face of constant change, the interest approach is most successful when introduced jointly to the parties committed to using it. The introduction is through a facilitated training and practice.

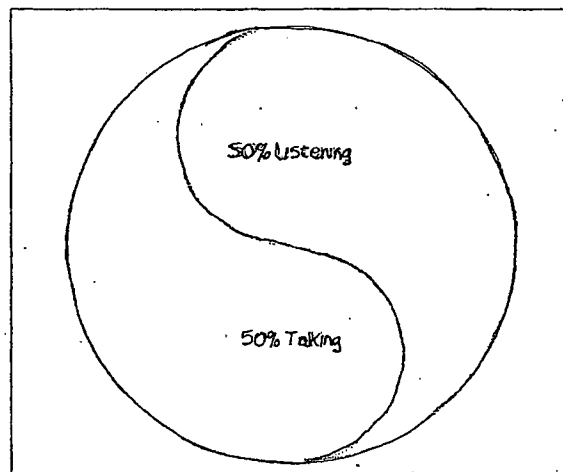
**Who uses this approach?** It is being used in labor relations, public policy decision making, alternative dispute resolution, international relations, economic development, counseling, planning, business, government, and more. Professionals in these fields and more are discovering that the traditional approaches are no longer effective in the face of multifaceted and constant change.

**Is it effective?** The approach is at one and the same time, analytic and creative. Its application in public school labor relations reduced the filing of formal complaints by 70 percent. Its application in international relations is visible today in South Africa and the Middle East. The interest approach is fast becoming the antidote to failed or stalled initiatives in quality and participatory management in business.

[1]

### 50/50 communication...

According to *Getting to Yes* author Roger Fisher communication is "50 percent talking and 50 percent listening, and the most important part is the listening."



[2]



## The conventional communications paradigm...

### Words:

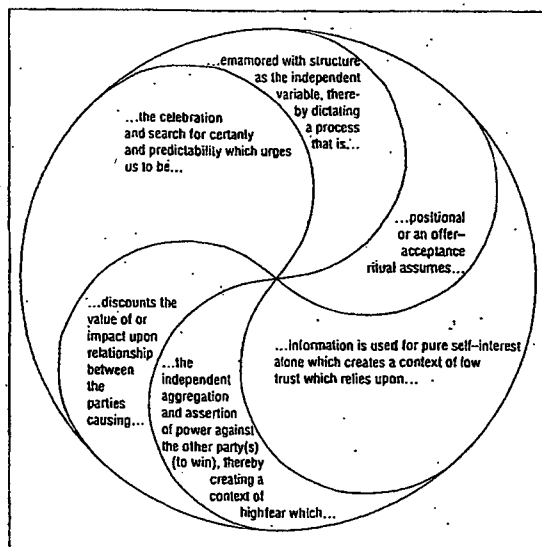
- About issues: distributive
- In ritual: constrained
- About issues: restrictive.

### Affect:

- Is confrontational
- Is adversarial

### Ritual:

- Is positional



## The emerging communications paradigm...

### Words:

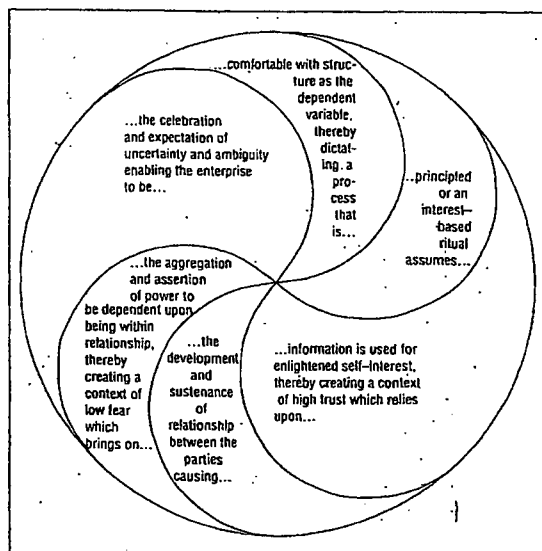
- About issues: integrative and interconnected
- In ritual they are creative and expansive
- About issues are restrictive.

### Affect:

- Cooperative
- Collaborative

### Ritual:

- Principled



3

### How we communicate to solve problems

— If we think about decision making as paradigm driven, two significant and identifiable models of decision making or problem solving in the workplace can be defined: conventional communication and an emerging paradigm of communication for decision making. <sup>3</sup>

*The conventional communications paradigm...* This has been the predominate paradigm used for the better part of this millennium. In Western Civilization at least, this model represents our way of escaping from making of decisions by the assertion of raw, physical power.

The use of raw power has been diffused and/or reduced by the concept of RIGHTS and the offer/counter-offer, accept/reject method of negotiations. In the workplace we've been practicing a version of the RIGHTS concept and the conventional communications model for about 150 years. The tug of war in the workplace or elsewhere has focused on determining where one party's rights end and another's begin. This model reflects our (now outmoded) Newtonian understanding of how the universe works — for each action, there is an equal and opposite reaction.

*The emerging communications paradigm...* Since the rights won through confrontation or assertion concept became entrenched in law or logic, our understanding of the world has grown much more complex. We are now realizing that the conventional decision making model is not serving us well. And we have realized that there is a need for something other than offer/counter-offer, have or have not, win or lose. The emerging model reflects our current understanding that the universe may be understood through quantum, field, chaos, and Newtonian theories all at the same time.

**What's our communication about?** Most often, our communication concerns a situation, issue, dispute, problem, or an opportunity. I personally dislike the word problem and like to use *opportunity* instead. The negative qualities associated with it (problem child, problem worker, he/she is problematic) carry biases that preclude some choices and/or data from being considered. Semantics aside, when we communicate to reconcile different views of a situation, needs and/or desires it's also to settle differences over *how* the situation is to be resolved.

My colleague, Ian Walke, introduced me to a convenient way of entering into an analysis of any situation. He calls it *CPR*! I call it "Ian's triage". <sup>4</sup> Any opportunity or situation can be thought of as having three fundamental components: content, process and relationship. Each of these in turn, can be further analyzed. When all these elements are understood, diagnosis, prescription, and practice are possible. A closer look at the content aspect is presented in the boxed figure on the next page: <sup>5</sup>

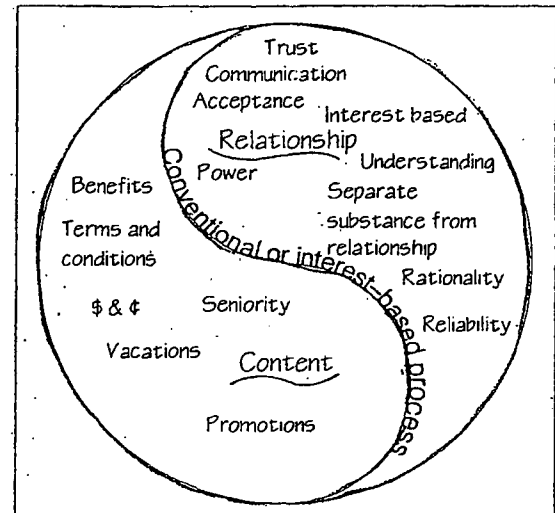
*The process aspect of decision making...* The process or ritual aspect of decision making may also be presented as alternative conventional and emerging paradigms.

The process and logistics of each offers the most visible and recognizable contrast between the two paradigms. In the conventional approach, people face off against each other as they would before

the puck is dropped (ice hockey), the ball is thrown up (basketball), or the ball dropped (rugby) to begin the game. [6]

### Ian's triage for understanding issues and situations...

Any opportunity or situation is susceptible to analysis (taking it apart or disaggregating it) as to these three fundamental components: content, process and relationship. Each of these components, in turn, is susceptible to further scrutiny. Once the elements of each component are understood, diagnosis, prescription, and practice are possible.



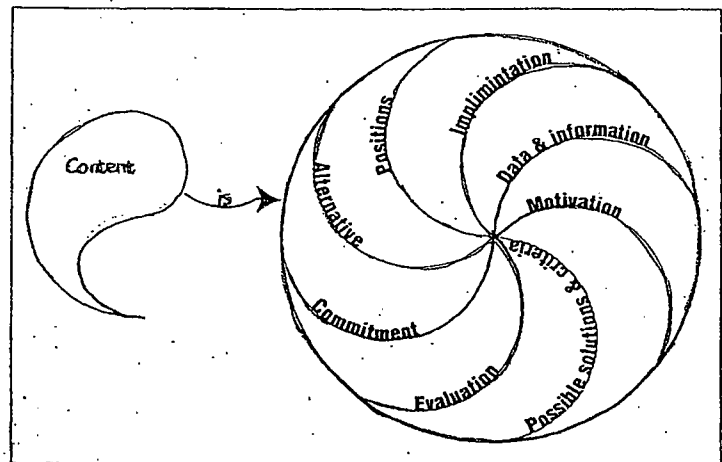
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### The content aspect of Ian's triage

Think of yourself as the lens of a camera, what is seen when the shutter is opened and the snapshot taken are these:

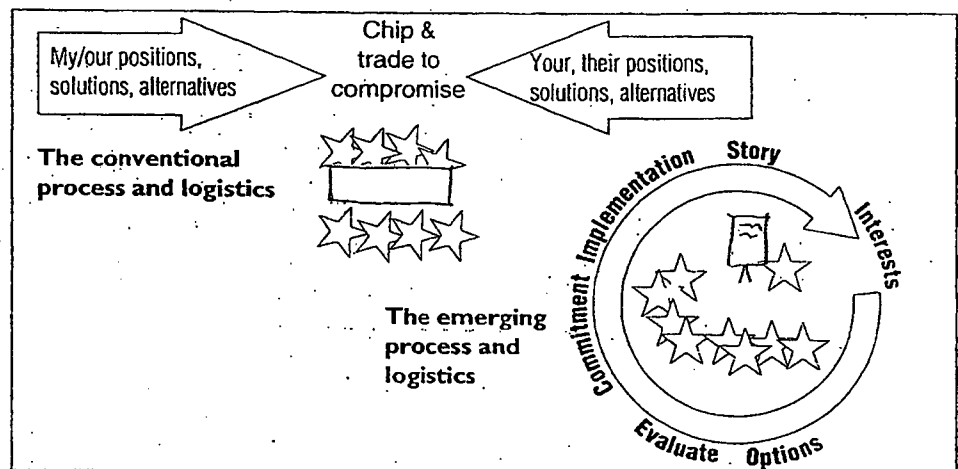
Data or information.....	Telling the story with perspectives too
Motive, need, interests .....	Heritage, culture, Maslow, history
Position.....	The solution to which one party is committed
Possible solutions & criteria .....	Multiple other prospects for solving but require agreement
Evaluative behavior .....	Comparing solutions to motives and measures
Decision/commitment.....	Saying "yes" or saying "no"
Alternatives.....	What can be done without anyone's agreement or if can't get agreement
Implementation behavior.....	Putting the solution into action

5



### The process aspect of Ian's triage

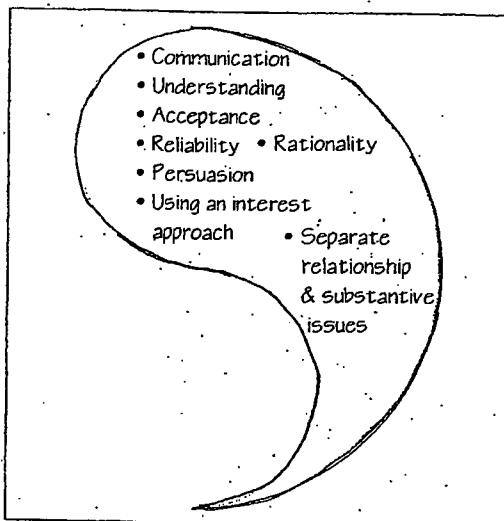
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6

## The relationship aspect of decision making...

Drawing from Fisher and Brown's *Getting Together*, my and my colleague's use of the interest-based approach in many different organizations, I have found that there are eight elements to effective relationships.



7

## The interest-based problem solving elements in sequence...

**Problem issues are explained in detail and analyzed.**

**Interests:** Discuss, answer questions about why we're here and motivate to solve the issue.

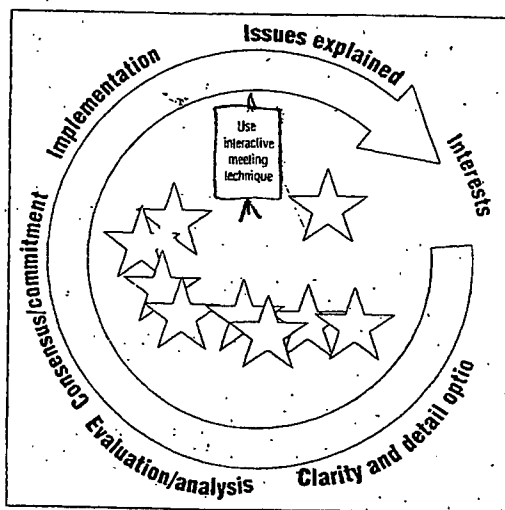
**Clarify and detail options:** Establish criteria — standards for measurements are objectively agreed to by parties.

**Evaluation/analysis:** Comparing options to interests & criteria stimulates improvement in plan.

**Consensus/commitment:** Members can live with options for now and will work to achieve its success.

**Implementation:** What, who, when, work: Detailed procedures are outlined and responsibilities assigned.

The dynamic aspect of the approach comes into play when elements previously discussed or agreed upon re-emerge. At that point, participants return to the previous step and begin the process *again* at that step.



8

When these principles are compared with the conventional model, you begin to see why the offer-acceptance model is divisive, or non-functional as a workplace (community) building tool. A quick look back at the process figure demonstrates how the conventional model discounts the importance of relationship as a variable in problem solving/decision making. **6**

## Pulling the interest-based process together

To bring the principles of an interest approach to life, a dynamic sequence of steps, techniques and assumptions is recommended. **8**

Those who are familiar with the brainstorming and consensus decision making approaches should find these principles quite familiar, and should be able to see why their use in other types of decision making will be beneficial:

- Focus on issues, not personalities...
- Describe, don't accuse...
- Tell the truth...
- Defer evaluation...
- Defer commitment...
- Focus on interests, not positions...
- Don't judge interests...
- Attempt to meet both separate and mutual interests...
- Develop legitimacy...
- Use consensus...
- Be systematic and celebrate learning.

The essential approach is to engage in a sequential yet dynamic application of elements and techniques to the *problem (opportunity)*.

**All of this occurs in a larger setting** — The larger context of practicing these principles and tools is where we discover another, fundamental principle of an interest approach to problem solving: finding, understanding and evaluating each party's unattractive unilateral alternatives. **9**

Knowing the alternative and the probable reaction by the other parties to its use serves as a powerful measuring device for agreement or solution which emerges from an interest approach.

*The relationship aspect of decision making...* Drawing from Fisher and Brown's *Getting Together*, my and my colleague's use of the interest-based approach in many different organizations, I have found that there are eight elements to effective relationships. **7**

## How to implement an interest-based process

The choice to launch a change in process and culture such as this is dramatic and significant. It involves a great deal of unlearning very old and ingrained habits and the learning and practice of new habits. It is very much like the struggle to recover from an addiction to accumulating and asserting power — I call those who chose to follow the new paradigm *recovering authoritarians*.

**Getting started** — Getting started involves some joint exploration of the concept such as a joint delegation attending a conference and/or an orientation given to a joint audience (on your site) by an experienced interest-based facilitator or practitioner. Next, an introductory training of appropriate length (3 or 5 days) is necessary. This training should be reinforced with follow-up facilitation. The necessity that the training be joint cannot be emphasized enough. Even with the training, practice in the principles is obligatory if you want to avoid backsliding into the traditional paradigm again. Once engaged in the interest approach, be advised that for a long time to come you must think of yourselves as *recovering authoritarians*. Patience, forthrightness in reminding each other of backsliding symptoms and determination to stay the course may sound like old needlepoint homilies, but they are necessary to your success nonetheless.

## Final thoughts

The emerging paradigm for successful decision making is not someone's grand experiment, nor is it a *plug-in* approach. Many organizations are using it and finding that they can rebuild their vehicle while staying on the road. They have found that with this process they can not only catch up with those already using it but they can keep pace (or even pass the folks driving the old model of the new paradigm) as the paradigm evolves into an even more flexible and effective vehicle for change.

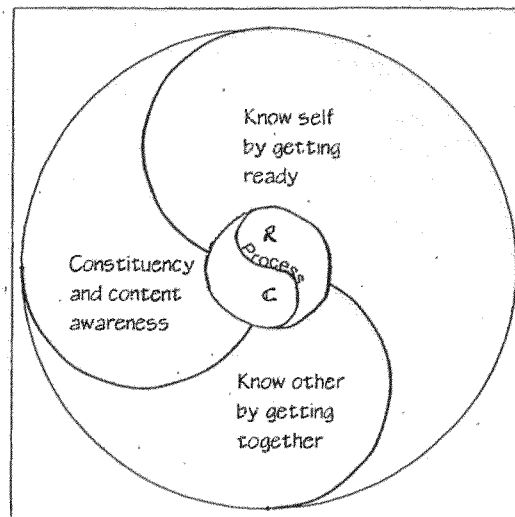
Adjusting to the ever changing demands of the marketplace just cannot be done in the boardroom, the R&D lab, or by purchasing new technology anymore. It takes making best use of the decision making capabilities of everyone in the enterprise. Think of it this way: if change is a huge powerful (and fast) bulldozer, instead of a fast car — whose help won't you need to be sure your enterprise doesn't become part of the road? ♦

## The larger context of the overall process...

The larger context of practicing these principles and tools is where we discover another, fundamental principle of an interest approach to problem solving: finding, understanding and evaluating each party's unattractive unilateral alternatives.

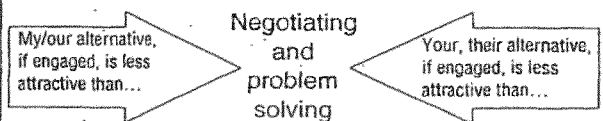
An alternative in this context is something which one party can do without the agreement of the other or what any party can do if agreement cannot be reached.

The alternatives must be evaluated for their impact if actually acted out.



9

## The alternative...



## Addendum: some terms of art...

**Interests...** The motives of the parties to the negotiation. What people or groups need. Derived and reflective of heritage, culture, and stories of the group. Can even be arranged in a hierarchy or priority as with the research of Maslow. A condition sought, a state of being.

**Options...** Possible solutions. In order to operationalize will need the agreement of the parties to the negotiation. The work product of brainstorming without commitment or evaluation. The "other" right answers per John Glaser.

**Criteria...** Objective standards of measurement. When agreed to by the parties, serve to compare against options. Work product of brainstorming and research. Often externally derived or imposed by control agencies or funding sources. Presenting practitioners with a paradox in that they are also options. There is no one "magic" criteria for any issue.

**Alternatives...** What either party to a negotiation can do without the agreement of the other. What can be done in the event that no agreement can be reached. Feel like threats when perceived by the other party. Don't take your gun out of the holster unless you intend to use it.

**Positions, demands, proposal...** The solution to which one party is committed. Due to the nature of our familiarity and comfort with the conventional model of offer-acceptance negotiations, these often invite evaluation... usually in the form of judging the interests of the party presenting the proposal.



Steve Barber has spent the better part of the past decade (12,000+ hours) introducing union and management groups to non-adversarial means of labor relations and negotiation. Barber, a native of Taft, California, served a variety of posts (including that of deputy director) during 15 years of service in California's Public Employment Relations Board. Barber's groundbreaking work at PERB led to the creation of the California Foundation for the Improvement of Employer-Employee Relations (CFIER).

Continued on next page

**Evaluation...** The comparison of possible solutions (options) to criteria, interest, and the issue or problem. *How well does this option meet our mutual and separate interests, fit the criteria, and solve the problem?* This exercise is accomplished without commitment.

**Consensus...** When the parties to the negotiation can say that at the very least the option is one that they can live with and support for now. Note that so long as a party to the negotiation is saying "no" consensus doesn't exist. However, the naysaying participant is obliged to explain *why*, so that the naysayer and other participants can continue to focus on creative solution designing.

**Interactive meeting...** A facilitated meeting of a group of people. Utilizes a non-conventional format in setting and process.

**BATNA...** The best alternative to a negotiated agreement.

**Legitimacy...** The psychological condition of ownership or support for a decision. A consequence of using reason(s) and participation rather than power, coercion, or leverage as the basis for a decision.

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## THE FAD PHENOMENON—Steve Barber and Wendy Cowan

What'll it be for you this year? Contracting out? Nope, that was three years ago ... or was it the year before? How about privatization? Is that what everybody is doing this year? Nope, that was two years ago.... How about downsizing or right-sizing? Nope, the CEO of PetroCanada said that was like trying to "shrink to greatness". This year's fad is **PAY FOR PERFORMANCE!!!!** Ah, now we know what to do!

Every year there's a new buzzword. Unhappily, a fad isn't reality. These fads are wrapped in all the froth of anecdotal success stories, presented by well-coiffed consultants, tripping over the lips of colleagues, and encountered on the pages of various association magazines with solicitations for quick and dirty workshops.

As a consequence of facilitating issues related to improving productivity and quality we have found ourselves becoming unexpectedly knowledgeable about "pay for performance" and "merit pay". Because this is the latest of the parade of management fads which seem to find their way through America's public sector, we thought it was time to offer some straight talk on the subject.

### The Myths that Satisfy

This menagerie of management methodologies does have a certain attraction, residing as it does in our subconscious understanding of how the universe is "supposed" to work. Things are "supposed" to be predictable, right? Government is "supposed" to be run like a business, right? Management makes decisions and others are "supposed" to carry them out, right?

While our elected and ascribed officials find themselves seduced by these simple homilies, a reality check gives lie to these myths. Yet they continue to spawn quick fix solutions captured in buzzwords.

Where does this stuff come from?

Our practice takes us to many venues in both the public and private sectors, giving us the opportunity to trip over some rather surprising learnings. Perhaps the most sobering of these learnings is that much of the furor generated on behalf of these buzzwords comes from self-serving consultants and brokers who profit from introducing dramatic solutions such as privatization and contracting out.

We are also observing that the private sector is screaming specific solutions at the public sector. The demands are for more services at less cost or for a reduction in onerous and intrusive regulation. Unfortunately, public sector officials don't understand the interests buried in these demands. The medium of the message as well as the message itself are interpreted as threats and condemnation thereby eliciting a defensive response. The defensive response is taken as a denial or condemnation of the underlying motives assumed to be understood in the message. As a consequence the real message never gets heard by either party.

Why do these fads emerge?

One reason these buzzword methodologies are attractive is the erroneous belief that human behavior is solely driven by a stimulus/response impulse. Because we never really understood the psychology of Pavlovian behaviorism in the first place we think that people respond to treats, e.g. pay for performance and merit pay, like dogs and chickens were thought to do.

It appears to us, from our experiences where the rubber meets the road, that the what's motivating a belief in these myths is fed by three basic fuels of change. The *first* of these is the combination of global events/economy and the velocity of technological change. The *second* of these fuel sources is the demographic shifts occasioned by the first. The *third* is the awkward and ham-fisted attempts to respond to the first two through

financial and institutional reordering such as property tax initiatives or marketplace analogies applied to public sector services.

Global and economic events drive e/migration of people and money around the world as witnessed by the out-migration of California's middle class to places like Arizona, Idaho and Washington following the collapse of the aerospace industry (a peace dividend!). The sociological upheaval occasioned by these events has transformed the demands made upon the public sector by an increasingly penurious public. One need but eavesdrop on a school board meeting, teacher's lounge or bus barn tool locker to discover that the service demands placed upon public education which would have seemed wildly out of place as little as ten years ago are a reality today. An identity crisis in public education has resulted: "Are we educators, baby-sitters, social workers, probation officers, public health nurses, or what?"

In order to respond to these and similar demands the public sector is wrestling with how best to transform itself. Yet, rather than allow the public sector entities to pull off of the freeway to change the flat tires, the public expects transformation to be accomplished while driving down the road, all the while yelling "Go faster!"

When the public sector's response is too slow or inept at meeting the public's need for immediate gratification (whether as a consequence of a lack of courage by elected officials to educate (lead) the public or its deliberate, accountability-driven approach to decision making) the public takes matters into its own hands through initiative processes or the election of decision-makers full of anti-government animus. The resultant dismantling of public sector entities as a means of punishment for this lack of responsiveness is well chronicled. The implications for economic and political infrastructure are staggering.

Accordingly, the fad phenomenon seems to emerge as a response to management panic attacks. Seeking to be calm the troubled waters and appear responsive to the snarling and fist-pounding demands of the electorate, advocacy groups, and the platitudinous prescriptions of elected officials, managers grasp at the straws of methodology myths that promise the instantaneous achievement of desired outcomes.

### Legitimacy

We seem to get involved after the 911 call: After elected officials and their eager-to-please managers attempt to unilaterally implement these mythological methodologies in their organizations. The resulting eruption and/or failure to achieve the desired result prompts some decision-makers to question whether there might have been "a better way to have gone about this."

The literature on organizational development/effectiveness is full of stories about the failure of these fads to achieve their stated promises. It would appear that 70 - 80 % of the initiatives implementing the likes of TQM, restructuring, downsizing, contracting out, privatizing, and the like stall or fail within 18 months. Because of the damage to the workplace relationship by the unilateral decision the resultant clean-up effort presents an even greater problem to the decision makers than the problems prompting the initiatives in the first place. So what was missing?

The answer is that *those who were expected to implement the decision were not party to making it*. There are common characteristics about decisions which thrive, survive, and actually bring on something resembling that which was sought in the first place. These effective decisions are based upon asking those who are expected to behave within the decision to help make it, and they are based on reason rather than power or coercion.

This year's fad -

*Pay for performance*

The myth of pay for performance or merit pay, a concept which has been around since the turn of the century is that you can use extrinsic rewards to incent employees to change their behavior to achieve outcomes described by management. This is based upon the direct translation of Pavlov's and Skinner's success with animals. What we really know is that human motivation is in large part intrinsic. The Hawthorne effect, which essentially revealed that you could improve productivity simply by changing the illumination level in the factory, is a notable example that dispels the common beliefs about human motivation being based solely on extrinsic "rewards".

A further fallacy surrounding this myth is that the employer can control behavior through the allocation of fear and discipline in an institutionalized master/servant relationship. Employers seeking to reduce liability and improve outcomes with predictability cling to the mistaken belief that the route to this end is the control of employee behavior.

The fallacy in the pay for performance myth is that there is a connection between the idea of incenting for outcomes and behavioral adjustments by employees, managers, and supervisors. Obsession with controlling behavior supports an hierarchical fear-driven organization. A better way might be to focus on outcomes. This is an organic concept dependent upon systemic thinking and the development of a learning organization.

### A Better Route...

We urge that you explore the science of human motivation whereupon you will find that human beings in today's workplaces are *not* solely motivated by the promise of extrinsic rewards. Alfie Kohn, in his book The Punishment of Rewards identifies three central criteria which create what he calls the "conditions for authentic motivation" First, *collaboration*. The employees, managers and supervisors need to be participants in the design and development of their work rather than the mere recipients of directions

from another who holds power. Second, *content*. Employees, managers and supervisors will seek to achieve a "good job" if it offers a chance for them to engage in *meaningful work*, work that makes a difference. Third, *choice*. Kohn restates what seems like common sense to us in a democratic culture, that "we are most likely to become enthusiastic about what we are doing - and all else being equal, to do it well when we are free to make decisions about the way we carry out the task." Yikes! Since when did the word democracy have a place in describing the employment relationship!!

In other words, the science of human behavior would indicate that a competitive approach to motivating human beings through "merit pay" or "pay for performance" is ineffective. What we have found, when we facilitate the discovery of good science around human motivation by collaborative employer/employee teams, is that their inquiries about pay for performance or merit pay call into question the entire power-based, fear-driven hierarchical model of organizations. The inquiry launches the negotiation into a penetrating exploration of process, assumptions about power, authority, responsibility and more.

This inquiry can indeed be an entry point for true and fundamental transformation of an organization; yet it may be perceived as a threat to those in positions of power and their co-dependent subordinates who are responsibility averse as it suggests a dismantling of hierarchy and movement toward democracy in the workplace. So, unless you are prepared to accompany Alice into Wonderland you should think twice about leaping after this white rabbit called "pay for performance".

### Suggested reading on this topic:

The End of Bureaucracy and the Rise of the Intelligent Organization by Gifford & Libby Pinchot

The Fifth Discipline by Peter Senge



## WHEN THE WHEELS FALL OFF THE WAGON ...

### What Happens To Cause Interest-Based Negotiations/Labor-Management Cooperation to be Abandoned

by STEVE BARBER

*Steve Barber is a principal in the consulting firm of Barber & Gonzales and a trainer and facilitator for CFIER. His clients include State legislators, local government and a range of private sector organizations. Barber is a pioneer in bringing non-adversarial approaches to the labor relations arena.*

They were waiting for me when I arrived to set up the room for yet another day of facilitating their negotiations. There was great consternation on their faces, and they looked hurt, too. I knew what they were about to say. I've seen these looks before. Many times.

"It's about their commitment to this process," he coaxed from her throat, voice trembling. "How can we make them participate in this? I feel so, o....betrayed." "Listen to the words you've just said," I said. "You really can't make someone do something if you expect what you want them to do to last and thrive," I suggested. "What we are talking about here is a *change of mind*. 'The way to doing something differently is *being* different.'"

Feeling that the other party has abandoned its commitment to labor/management cooperation and/or interest based negotiations is a very common experience.... because it's too often true! But, "seek first to understand" the behavior you are concluding to be a abandonment as it may simply be awkward practice or an unconscious reversion to the comfort of habit. The internalization of the fundamental precept of both labor/management cooperation and interest based negotiations, enlightened self-interest, is a tough one to acquire (be) and practice (do). The magnetic strength of its opposite paradigm, myopic or raw self interest, is so powerful that it is impossible for many to understand that in order to "win" the other side need not "lose."

Thanks to CFIER hundreds of labor management relationships in the public schools have been introduced to the elegant principles and practices of an interest based decision making approach. Entire union and management institutions are now including the approach in their overall mission; and other segments of the public sector have begun practicing the principles. Yet, despite the initial enthusiasm, the fantastic numbers of attendees at the annual conferences, and the almost universal acclaim for the attractiveness of the principles, I suspect that the principles are *consciously* living in only 20% or so of those relationships. Why is this so? Why do people tell me, in moments of candor, that while things are so much better in their relationship, the paradigm hasn't really shifted? Am I expecting too much? Has the message that the approach is powerful and effective as a transformational methodology for lasting and meaningful organizational success not been heard?

Based on my experience working with many labor-management groups, here are some of my answers to these questions.

#### ◆ People trip on a "pitfall."

Remember the "Pitfalls to Success" we include in the CFIER index? Did you read them? Do you go back to them when you are doing your implementation planning and designing? Do you consult them when things don't seem to be going "just right"? They are still as valid today as when we developed them. You can read the



Steve Barber

full explanation of each in articles by Janet Walden in the February and October 1995 issues of *Viewpoints*. My purpose in writing this current article is not to simply review the pitfalls list, although that's not a bad idea. No, what this article is about is capturing and reflecting upon some of the underlying "stuff" that cause the pitfalls to happen. Read on.

◆◆ **Surprise! The interest approach wasn't just a new "manipulative" management tool (employer perspective) or "another way to win" (union perspective)!**

Perhaps the most common reason that the interest approach to negotiations or labor management cooperation doesn't survive, let alone thrive, is that it turns out not to fit the preconceived expectations of it held by management or union leadership in the first place. Coming from the conventional workplace model as most people do, they tend to develop their understanding and expectations of the model based upon the idea that it will "just enable us to do what we now do, only better"!

If sobriety doesn't set in during the introductory training, it soon does during the course of implementation and application afterwards. "Uh oh. You mean I have to change the way I do business with them?" Yup.

This surprise if often not consciously acknowledged. If it is, then the abandonment choice which sometimes follows is a conscious one. So is the denial choice which sometimes follows. Often the abandonment choice following the surprise is unconscious because the conventional paradigm of management/union relations simply has no place for this different model to fit; so the operational choices continue to perpetuate the conventional, e.g., the union isn't included in the budgeting process or rejects the opportunity to become part of hiring and evaluation processes.

◆◆ **"You are in bed with management." or "You are giving away the store."**

The absence of conscious, committed, and ongoing efforts to develop an understanding within one's constituency of the principled approach to labor/management relations and interest-based negotiations usually haunts. The efforts can be simple, such as the negotiating teams mutually designing a series of communiqués to all constituents by developing a "dog and pony show" that is presented jointly by site union reps and managers. Or they can be elaborate such as ongoing, formal introductory and refresher training for all employees and managers.

Constituencies need to understand the principles because they lead the practitioner to engage in different behaviors. Absent a

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## When The Wheels Fall Off the Wagon —

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prior understanding of these behaviors they will be understood from the conventional perspective and condemned as wrong. Understanding is the consequence of communication/education. No ongoing educational effort regarding your constituency? Don't be surprised that they don't like what you are doing to the point of political action!

### ❖ "They're the ones who aren't committed! I'm not changing the way I do things until they do!"

Externalizing responsibility, and therefore blame, is the conventional, institutionalized approach to doing business and solving problems. It makes things very easy for the individual and keeps the courts busy. If the above quote sounds like you, my question to you is this: Who is going to practice these principles if you don't? These principles get abandoned because each of the many individuals in any institutional relationship *choose* not to practice them! You can really, ultimately only be responsible for yourself!

### ❖ The interest approach is only thought of as a conflict resolution or crisis resolution tool.

Again, back to the absence of an "ah ha" about the truly transformational capacity when practicing interest-based principles. As a student, consultant, and instructor of organizational development (OD) I have come to have great respect for what I call "state of the art" OD practice: intervene, assess, prescribe, implement. Unfortunately, because this model fails to take the concept of legitimacy into account its impact tends to be short-lived. Relying upon legitimacy (decision making through participation and reason rather than direction/coercion/power/leverage) as a fundamental constraint of developing an effective organization/relationship is critical.

Unhappily, it has been my experience that many managers, administrators, and union leaders think of the interest approach solely as a pigeon holed product rather than the powerful transformational methodology that it is. That's the optimistic view. The pessimistic one is that people in positions of leadership do in fact recognize the interest based principles for the transformational tool it is and want nothing do with them, as it would mean that they have to change the way they do their day to day business! Either way, interest-based principles seem to have been narrowly pigeon holed as something for use in crisis, formal negotiations, and problem solving only.

### ❖ "Some people never really stepped into it in the first place."

This was the response when I asked a school district superintendent why she thought that the principles were sometimes abandoned. To her reckoning there seems to be a "test drive" period wherein people try it out half-heartedly for awhile to see if it does what the presenters and testimony from other practitioners say it does. Rapidly forgetting the "three to five years to become fully acquainted with the principles and to achieve a level of feeling practiced with them" learning curve that we present in the initial training. Such "test drivers" have a shortsightedness that does not serve them well if their test driving consists of sticking a big toe

into the shallow end of the pool as opposed to diving in with a can-do spirit. This approach is a disaster if it is how they decide whether or not to commit. I will always remember Jan Abbott's observation to every group about the unseen principles that one must also practice alongside the principles we formally introduced. One of these unseen principles: stick-to-it-ive-ness.

Then I suppose there are those who believe that there is nothing new under the sun. And if this stuff is so hot how come they didn't see it somewhere else first? You know 'em. The 'been there, done that' type.

### ❖ The culture of the "fad"

Fads are interesting. The best explanation that I ever heard about how it works is that most people figure that if they see something new in their workplace still around in about 3 to 5 years, it probably wasn't a fad, and *then* they'll give it a try! Sound familiar? Probably. We are all reluctant to be taken in. No matter how bad it is now it could only be worse; not better, right?

The interest based principles of decision making and labor management cooperation are at the heart of the success stories such as Harley Davidson, Saturn, Xerox; yet such empirical evidence seems not to dent those who self-protect by dismissing new ideas as fads. The funny thing is that while they are dismissed, people seem to think that there will be another coming along any minute now! So they really don't want to get too invested in the one they're dealing with at the moment! The judgmental me says that such thinking is lazy and displays an arrogance about the duality of learning and knowing: awareness and practice. I prefer Socrates: lead the examined life. And to examine the "doing" one must participate in the "being."

### ❖ Transition is ignored

Despite verbalized and behavioral commitments to the interest based principles, key players who leave the relationship are unthinkingly replaced by someone who is actually or virtually ignorant of the commitment to the approach by the institution or the labor management relationship. They practice what they know, which is conventional, and in practicing this "betrayal" is communicated to the other parties.

The wheels fall off fast this way! Knowledge, practice, and awareness of interest based principles must become part and parcel of recruitment and hiring, as must ongoing training in the principles become a part of introducing people to their new jobs or institutions.

### ❖ Strong "partners" backing away rather than helping weak "partners"

One of the basic principles of an effective labor/management decision making relationship is the idea that the parties accept one another as legitimate partners. The years of conventional experience, literature, learning, and cultural constraints seem to make this concept very difficult to even understand let alone adopt or practice. It lies at the heart of the success stories. The behavioral principle that operationalizes a partnership through meeting ones own needs by meeting the needs of the other party (enlightened self interest) is what brings forth elegant and delightful contractual and workplace solutions.

The difficulty in wrapping one's mind around this idea so that it is reflected in behavior is a true predicament and often a cause of process abandonment. The idea that a union's best ally is strong

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management or that management's best friend is a strong union seems to catch in many, otherwise enlightened throats. How many times is it implicitly communicated in the tone of voice, gossip, or agenda setting that some situation or other is "their problem" and "if we just stand and watch maybe it will become so bad as to handicap them in some significant way"? Listen for this attitude.

Not your problem? Maybe not, but you do have one because your partner has a problem. *That's your problem.* Not taking the initiative to reach out the helping hand is actually like shooting yourself in the foot and accounts for many of the explanations as to why the principles are abandoned. It's overcoming the conventional mindset that "if they are strong, it means I'm weak" that you must work on.

### ❖ Fear of Failure

Often we will refrain from advocating our own interests for fear of the reaction we think such advocacy will create in the other party to our relationship. We seem to think that such advocacy will actually ruin the relationship. But such fear on our part doesn't necessarily inhibit the other party. As a consequence of your inhibition, then, your interests get submerged or even ignored by the untempered assertion of interests by the other party. Then what? Resentment? Blaming the other party for being selfish? A constituency that isn't served?

Again, choice making is the key. Avoidance, as usual, doesn't work. Listening to your own choice making is critical so that you are aware that you are making such a choice in the first place. Once you become aware that this may be the course you are on, what then? The answer probably lies in practicing one of those underlying concepts that make for good understanding in the mind of the other party: describing one's behavior before it is engaged in. Let the other party know, openly, that the relationship is important, that what you are about to say or do isn't meant to strain it or question it but rather to work within it. Then be careful to truly advocate your interests rather than push a position.

### ❖ Roots we didn't even know we had

Much like the "law of scarcity," a myth which undergirds modern capitalism, the concept of "agency" has defined both the structure and practice of the modern workplace. "Agency" is the legal principle that the employer is *liable* for the acts of the employee while the employee is acting in the course of employment. This concept came from an early (14th or 15th Century) court case that arose from a time when the principal employment relationship wasn't that of employer/employee as we know it but rather that of master/servant.

Accordingly, employers through the centuries reasoned that the best way to reduce liability was to *strictly control behavior* of the employee(s). This obsession with controlling behavior as a way of reducing liability and achieving our desired outcomes (products and/or services) appears to me to be the root of our familiar institutions: hierarchical organizations, motivation through reward and discipline, ordinate and subordinate ranks within the hierarchy etc.

While the realities of customer relations, customer demands, literacy levels, and the age of knowledge no longer call for such a structure or interactive methods, the modern descendants of the master/servant relationship exist as they do as a consequence of institutionalization and socialization processes. Is it any wonder that

the introduction of what is essentially a democratic process to the workplace is met with such cognitive dissonance?

### ❖ Voltaire

We've allowed our left brain and belief in the salience of reason to overshadow our right brain and the human element. To understand how this happened read a book by John Ralston Saul entitled Voltaire's Bastards. Light bulbs will pop in your head. In the meantime let me observe that one of the reasons that people, good people, well-intended people abandon a principled approach to labor/management relations and negotiations is that the notion that the human element, or how we relate to each other, is as important as the substantive components of the enterprise (such as the work we do or the compensation we receive) is so very different from our conventional thinking that people have a very difficult time accepting it consciously and a very easy time unconsciously reverting to the conventional.

In his introduction to the book Synchronicity by Joseph Jaworski Peter Senge writes: "First, Joe said, we need to be open to *fundamental shifts of mind*. We have very deep mental models of how the world works, deeper than we can know. To think that the world can ever change without changes in our mental models is folly. When I asked Joe more specifically what these changes might be about, he said that *it's about a shift from seeing a world made up of things to seeing a world that's open and primarily made up of relationships.*"

### ❖ Finally, there is a small collection of personal qualities that only you can practice.

**Commitment** or sticking to it. Practicing an interest based approach despite the behaviors of the other party just as the Aikido master transforms success from the aggression of the other party.

**Courage** in initiating and advocating a better way of doing business with each other. Asking, out loud, in response to your discomfort with the behavior of yourself or others "is this a principled thing to do?" Leadership is both paradigmatic *thinking* and adaptive *behavior*.

**Willingness** to be open and humble. We cannot and do not know it all. Are you reveling in the learning you experience from mistakes? Are you "thriving on the 'no'" you hear from the other party, pursuing the interests behind the "no," and using it to stimulate the creativity? Or are you simply condemning it and feeling insulted? Are you listening more than talking? Are you saving face or being honest?

**Vision** — picturing in your personal and collective consciousness what you want to be. This "vision thing" is a conscious decision that must actually be made and not assumed. Has a vision in fact been jointly reached? Is it being periodically revisited and refined? Has it been well and broadly communicated? Is your relationship listening to your joint constituency to determine whether the vision has been heard and is being used as the ultimate criterion in all decision making?

❖ **In sum** let me suggest that *abandonment* of the interest based approach is really a *choice that you make*. Consciously or unconsciously, when it comes to the labor-management relationship I think that you are getting what you choose to have. Doing is being.

## DANCING WITH THE BROOM

“fresh fish doesn’t smell fishy”

by Steve Barber

“Did you know you can dance with that broom?” my granddad asked when he saw me, at age 5, struggling to sweep the sidewalk in front of my dad’s auto parts store kitchen broom style with a push broom. After ten minutes or so inside the store he emerged to “inspect” my progress. Seeing that his earlier “dancing” lesson had taken hold he asked me if that just wasn’t a lot more fun. My affirmative response brought forward his “real” lesson to me: “when you grow up, you should always try to find a job where they pay you not to work.”

My Grandpa and his lesson to me popped into my mind when I first saw “FISH, the video” three years ago. It was a couple of weeks after I’d received a preview copy to review. When I saw the video, I immediately knew I’d just been presented with a “missing link” to my OD training activities. Because these four simple concepts presented by FISH can be found as vital connective tissue for virtually any organizational effectiveness initiative, I’ve sketched a “fishbone” chart to offer a quick illustration of what I mean.

The author of THE FIFTH DISCIPLINE would probably agree that these simple concepts are threaded throughout any decent (read “effective”) OD initiative. Accordingly, they can serve as an effective springboard for a host of training and strategic undertakings in a variety of settings. A warning: while these concepts elegantly encapsulate the successful if the message is not utilized in the spirit of the concepts themselves, the result worsens the conditions prompting the initiative to improve. Here’s a contrast to explain:

First: a success model(s)..... **FISHCAMP!**

The producers of “FISH!, the video” and the mnemonics they’ve “spawned” to help organizations sustain the momentum asked a bunch of us consultants who were “early adopters” to consider and elaborate upon what they thought would be a particularly successful mode of introducing the concepts to an organization.

Called “FISHCAMP”, the event is a series of interactive exercises designed to acquaint participants (“campers”) with the four simple concepts, which the video producers “discovered” while editing their documentary about the Pike Place Fish Market in Seattle. The attendees were encouraged to go forth as practitioners and customize their own version of “FISHCAMP” to their particular practice and client needs.

Our (BARBER & GONZALES Consulting Group) version of “FISHCAMP!” varies from one to four days depending upon the assessed/negotiated needs of the organization. A single day event simply introduces the ideas contained in the video and gets the participants started on their own initiative without follow-up by us.

At the other end of the spectrum we use FISHCAMP as an approach to organizational transformation. Longer versions of FISHCAMP are designed to address the assessed needs of the work group/organization more thoroughly. In particular we use a four day FISHCAMP as an intense *introduction* to the principles of interest based decision making for labor and management negotiators who have also realized that the long term success of their organization not only starts with the labor/management relationship but also must rely upon a complete paradigm shift in how they do business throughout the organization, not just at the bargaining table. (For an elaboration on legitimacy please refer to my earlier articles in the Journal) Combined with obligatory follow-up sessions, organization-wide trainings, and internal capacity building to sustain the initiative, this four-day version seems to have lasting impact. . We suspect that weeks and months long “training academies” for middle managers/supervisors could also use the FISHCAMP concept as a skeleton upon which to hang their entire curriculum.

**Not quite a FISHCAMP:** using "FISH!!, the video" to illustrate the botanically correct metaphor of a thriving organization:

Introducing executive, middle and line staff to a more interactive decision making model in conventional paradigm organizations (translation: bureaucratic and unlikely to change much, but discovering that the scientific management model doesn't work and are accordingly toxic and hungry for change) inevitably brings forward the question from these change hungry employees of all stripes: "what do you do when you want to do business differently, but your coworkers, supervisor(s), or executive managers don't?"

We establish the context for the one word answer to this question by introducing a more systemic rather than mechanical metaphor of an organization. The four concepts presented in the FISH video serve to illustrate the molecular level interactions of the metaphor in order for it (the organization) to survive and thrive. We have attached a digital photo of a completed flip chart page developed as part of a training segment to illustrate this metaphor.

The fruit references the outcomes realized, the leaves illustrate a desirable working environment, the trunk/branches/twigs illustrate the ubiquitous structural tissue, and the roots stand for the basic principles or statements of "ought" presented in every situation. As an aside... the beauty of this metaphor is that it can be further used to illustrate the realities of an "open system". It's all quite quantum, don't you think?

In our longer versions of FISHCAMP we use this metaphor as our "nature hike" with each component of the training exploring a different aspect of the metaphor. By the time that FISHCAMP is concluded and the "campers" are packing their duffle bags (a FISH mnemonic) each has their own graphic much like the one seen here. It takes all four days to completely illustrate the metaphor/graphic.

**Second: .....smelly fish.**

"Here, watch this video. You need to change."

Probably without describing it you already understand how the video can be (is being) used as a weapon. Usually without intending to do harm an ignorant supervisor or manager spots the video, borrows a copy from HR or the training dept., throws it in the VCR at the only staff meeting they've had in months, and admonishes the troops to do things like they do in the video, turns off the TV, and concludes the meeting. Having their worst suspicions thereby confirmed the employees continue to flee, soldier along, maliciously comply, or sabotage. The supervisor, continuing to rely upon the people skills God gave a goat, goes ignorantly on certain that "I tried, but *they* are hopeless."

Yes, we've seen and heard about this version of how people have used the FISH video both from the disappointed supervisors who've tried it and the employee victims who've experienced it. I've no doubt that had my granddad simply scorned and scolded my nascent efforts with the push broom, told me how to do it, and marched off that I would not to this day, 50 years later, enjoy dancing with a broom.

Author Steve Barber's resume confirms that perhaps without realizing it he followed his granddad's advice: bowling alley pin setter, cowboy, firefighter, fruit picker, truck driver, oil worker, auto mechanic, machinist, teaching assistant, political campaigner and subterranean politico, race car driver, executive, entrepreneur, college instructor, pilot, wooden sailboat skipper, and now a consultant and trainer. You can reach him and his colleagues (fellow camp counselors) at <http://www.paradigmpilgrim.com>.

*This article is scheduled for publication in the Journal for Quality and Participation in Jan / Feb 2002.*

**CLIENTS:** Legislative and policy making bodies, union/management cooperative teams, school districts, transit agencies, hospitals, water agencies, community organizations, colleges, cities, counties, trucking, rail, land use planning, state agencies, manufacturing, dispute resolution agencies.

• His pioneering work as a change initiator in this field has brought him national and international recognition. He was invited by the United Nations to be one of 10 people from the United States to attend the first ever international conference convened to develop methods of introducing and sustaining interest approach negotiations and relationship principles to employers and unions. He was recently invited to help create the first ever Institute to introduce collaborative and interest-based decision making principles as a effective and legitimate practice for organizational development to the International business and government communities by the Association for Quality and Participation. Steve serves as instructor in Organizational Development/Effectiveness for the UC Extension Certificate Program in Human Resources. The University of California at Davis Extension Program

Web page: <http://www.paradigmpilgrim.com>

has solicited Mr. Barber to serve on a newly created advisory committee for the development of a Certificate Program in Organizational Development/Effectiveness.

❖ Steve Barber is a native-born Californian, born and raised in Taft. His employment experience includes machinist apprentice, retail clerk, cowboy, ranch hand, firefighter, oil worker, truck driver and mechanic. Upon his graduation from UCLA with a degree in Political Science, he attended graduate school in Political Science and Philosophy at San Diego State College. Steve has been contributing to the development of curricula for the Political Science Department of San Diego State in mediation as a component of their Interdisciplinary Degree Program in International Conflict Resolution. Annually he presents a seminar on decision making to the Graduate School of Political Science at San Diego State, and frequently presenting to state and regional conferences on the subject of employer/employee relations, organizational development/effectiveness and change initiatives.

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# in the crow's nest

A publication from STEVE BARBER, PARADIGM PILGRIM

NOVEMBER 1994

Barber & Gonzales Consulting Group

No. 3

## HIGH PERFORMANCE ORGANIZATIONS

### Not an experiment!

**T**he message was clear from the Seventh National Labor-Management Conference in Washington, D.C. in June that high performance organization is available to anyone who is committed to investing the time and effort to realize 30-60% improvements in productivity and other measures of impact and profitability

### VISIONS OF INSTITUTES DANCING IN THEIR HEADS?

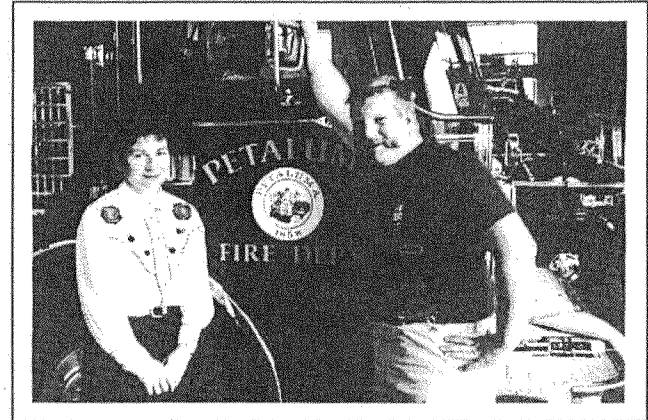
For several months now a group advocates and practitioners of a new model in labor relations have been meeting in Sacramento nurturing the formation of a collaborative organization (an "Institute") designed to facilitate a cultural transformation they see enfolding in the workplace-from adversarial relations to cooperative.

The group is scheduled to meet again in late October when their "visions" of an "Institute" will be revisioned as "interests", personal and group, then worked through the interest-based process toward its creation. The prime elements of vision, leadership, and commitment are present in this group. Now it is simply a matter of relating their dreams into reality.

To learn more about the "Institute", please call Cathy Arostegui of Beeson, Tayer, & Bodine at 916 441-2196 or Deidra Rose, IN PRAXIS, 916 688-5962.

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- ⇒ Institute
- ⇒ City of Petaluma Training & Facilitation
- ⇒ City of Roseville Firefighters
- ⇒ City of Roseville Homeless
- ⇒ El Dorado County & Deputy Sheriffs
- ⇒ Legitimacy



### CALGARY IN PETALUMA

Calgary School Board member, Jennifer Pollock poses with Kevin Marks, City of Petaluma Firefighter. Kevin recently participated in a three day introductory training in interest based negotiations conducted by Steve Barber for the Petaluma Firefighter Association and City management staff. Jennifer traveled to Petaluma from Calgary to serve as a volunteer facilitator in the training in order to practice her skills as a facilitator and revisit the principles of an interest approach.

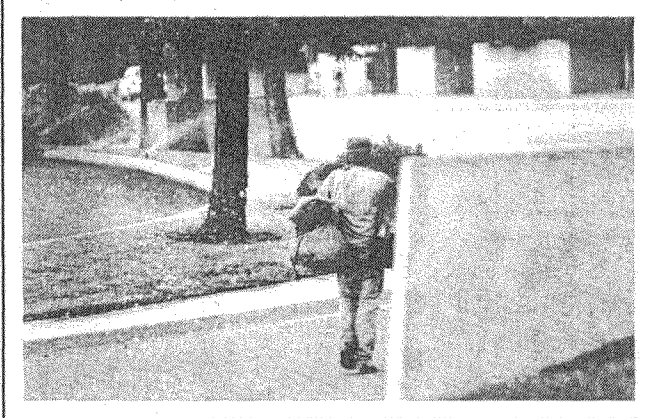
Also serving as facilitators in the training were Rich Thickens, Firefighter, FFA, Craig Robinson, Administrative Services Director, Phil Ezell, CFO, and Larry Layton, Electrical Supervisor, IBEW. These facilitators all hailed from the City of Roseville. Their service as facilitators was motivated by the same interest as Jennifer... to improve their interest-based skills. According to Barber this approach to introductory training accelerates the unlearning curve for the "borrowed" practitioners and helps reduce the overall cost of introductory training for the client.

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**Transients and the homeless....**only two of the many manifestations of the economic and demographic winds blowing hard in our nation's communities.



These and other issues facing elected officials seem insurmountable when addressed with the usual tools for reaching important political decisions. If politics is the authoritative allocation of values (according to political scientists, this is the correct definition), then the questions for politicians and the communities they represent is, how do we go about making the choices so that we don't create even greater problems than we are trying to solve.

According to Mayor Mel Hamel, and the City Council of Roseville, the answer to the question is to use a decision making tool that builds consensus rather than division. As a result of their faith in an interest approach, born of solid successes using the method in the city's labor relationships, the city leaders have demonstrated the courage of paradigm pioneers in applying an interest approach to much broader community issues.

A series of community forums have been slogging through the hard work of a consensus approach to decision making. As our newsletter goes to press the work of problem definition is barely completed. Interests are being identified and will be articulated at the next meeting (Oct. 20th), and the brainstorming of possible solutions will get underway full bore on October 22nd. We'll provide a process report in our next newsletter.

#### **VIDEO AVAILABLE**

"Let's face it, every time Steve does 'the lecture about the principles and elements of IBN, effective relationships, and the paradigms of communications, new light bulbs pop in our heads! It's like an effortless process check, and I swear I hear him say something new every time I see it."

So says a client of Steve Barber about Steve's basic lecture. "The Lecture" is now captured on video tape as an experiment for the Federal Mediation Board. A full production tape is in the works. \$900.00 gets you a copy of the experimental tape right away and insures you of a production copy when available next summer.

## **IMPROVED RESPONSE TIME**

### **Changes save minutes, lives**

by Stew Hintz  
of The Press-Tribune

Roseville - Three weeks ago, fire officials promised a reorganization of their department would improve response times. Saturday, those promises came true with the resuscitation of heart attack victim.

Rescue crews were sent to the 1800 block of Discovery Drive at about 12:45 p.m. to come to the aid of a 47-year-old man, said Battalion Chief Jeff Carman.

It took the firefighters less than three minutes to respond to the call once dispatchers alerted them and when Carman, the supervisor on duty that day, arrived at the scene nearly five minutes later, both drugs and machines were being used to revive the patient.

What makes this case significant, Carman said, is since the changes were made, each engine is equipped with a paramedic and the equipment he or she needs to save lives. In the past, those services were dispatched from Roseville's central fire station on Oak Street and it could take several minutes before the paramedics arrived.

While firefighters can start CPR on a patient, administering drugs and the heartstarting jolts of electricity is the job of paramedics.

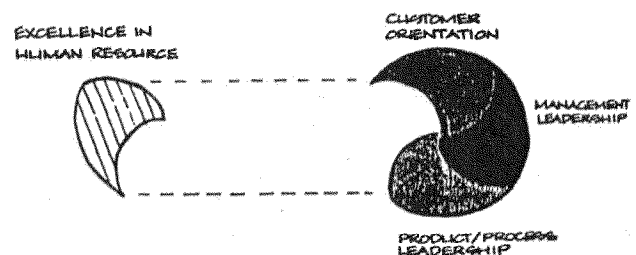
In a job where seconds count to restart a stopped or quivering heart muscle, having trained and well-equipped crews at the scene quickly translates into more lives saved, Carman said.

The victim, whose name was withheld by the fire department, apparently felt ill after a morning of yard work and was slipping into unconsciousness as emergency dispatchers were called. Carman estimates his heart had stopped for only four minutes by the time paramedics were able to restart it and within minutes he was responding to their attempts at saving him.

While the department has had several cases of saving a patient in the field since the department was reorganized, Carman said Saturday was a perfect example of the nearest fire crews providing life saving services that once had to wait until paramedics arrived.

Reprinted from The Press-Tribune, Tuesday, July 26, 1994

**THE MISSING LINK IN MOST QUALITY INITIATIVES IS LEGITIMACY.  
THE OWNERSHIP OF THE IDEA BY EMPLOYEES AND MID-MANAGERS.**





## ORGANIZATIONAL EFFECTIVENESS STARTS WITH LEGITIMACY

A futurist in Vancouver, Canada who goes by the nom de plume of Dr. Tomorrow warns that change is like a bulldozer. Change will happen whether we want it or not. Our choice is to help shape it, or become part of the road.

Population demographics, financial restructuring, and the global economy are the three most powerful bulldozers of change in the larger sense. These variables set up the issue of intraorganizational conflict which stimulate the creative growth or death by denial of any organization. The choice is yours.

These bulldozers take on different manifestations in different contexts. In education they go by the name of charter schools, contracting out, voucher, privatization, gangs, site management, restructuring, etc. In other areas of government they go by the name of privatization, contracting out, competition, deregulation, term limits, budget deficits, and so forth. In the private sector, the issues are similar with the added pressure of product innovation, cycle times, product espionage, social costs, etc.

The most appropriate response? The non-experiment or proven approach has been to increase organizational effectiveness through a significant shift in the employer-employee relationship. This shift gets its most effective start through a legitimate or mutually made decision to do business in labor relations in a radically different way-by using an interest approach. The forensic work prompted by the failing or stalling of about 80% of the TQM efforts initiated nationwide has revealed that this approach has made the difference. Those who start with this approach, rather than a mandated-from-the-top-down, "packaged" approach, quickly discover the efficacy with paradox of their decision.

Steve Barber

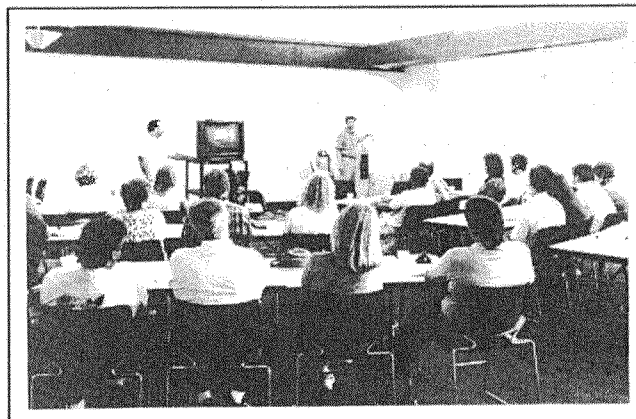
### EL DORADO COUNTY and the DEPUTY SHERIFF'S ASSOCIATION settle pernicious lawsuit

El Dorado County and the Deputy Sheriff's Association (DSA) entered into training in the IBN process in preparation for the upcoming negotiations. In the last several years, the relationship between the County and the DSA had devolved into an increasingly contentious square off. Issues of money and assignment became overshadowed by issues of mistrust and lack of respect. These surfaced not only in negotiations but in the day-to-day attempts to deal with grievances and operational issues within the Sheriff's Department. When evaluating the merits of whether or agree to training in IBN, the parties agreed that "it can't make things worse and any improvement is desirable."

After much skepticism, the parties participated in three days of the IBN training. The key decision makers from Sheriff's management and the DSA attended. Did it help? The answer is a resounding "YES".

A subcommittee of Sheriff's management, DSA representatives and County officials met to apply the principles to develop a settlement to a lawsuit previously filed by the DSA against the County's implementation of a mandatory time off provision, which reduced deputy's work hours and pay by approximately 50 hours over a six month period of time. The parties set aside their positions and in three hours, defined the problem, identified interests and cracked out a settlement option that has since been ratified by both sides.

"I had some real doubts" stated one Captain participating in the process, "but this worked great." "Our goal was to find something both sides could live with", said Dennis Small, President of the DSA; "we accomplished that goal and this has gone a step to rebuilding the relationship that has been broken. "The taxpayers are also winners", stated Kathryn Libicki, Director of Human Resources, El Dorado County. "A better working relationship and a problem solving approach saves hours which would have been spent in acrimonious debate, and puts those hours into serving the public, which is all of our goal."



### TO TRAIN.....OR NOT TO TRAIN ? There is no question!

A "train trainers" model for distributing the principles and techniques of an interest approach is one of the methods used by our consulting practice to help organizations become acquainted with and acquire the "technology" of an interest approach to communication and understanding. Here you see a union-management team of facilitators presenting to a group of colleagues and co-workers from throughout the organization. "Our desire is that the client be able to practice a principled approach to employer-employee relations throughout the enterprise without being dependent upon us to do it. This means that we are attempting to replicate ourselves in every client," says principal consultant, Steve Barber.

**THE VIRTUAL CORPORATION APPROACH TO CONSULTING**  
practiced by **BARBER & GONZALES**

As paradigm pilgrims we find that we do business slightly different from most consulting firms. Because of our multiple affiliations with other consultants and firms, we can be as small and specialized, or as large and diversified as the needs of the client organization or enterprise require.

We are usually in collaboration with another consultant or firm on some project. Either we initiate this collaboration or they do depending upon the assessment and ongoing interaction with the client. Our specialized focus is helping organizations make the commitment to and then practicing an interest approach to decision making in public policy, labor relations, community/regional issues, etc. While we serve to assist client organizations in laying the theoretical and communications foundation for change

efforts, our colleagues in affiliation specialize in specific and systematic applications such as TQM, workplace and compensation re-design, being legal with change, management or union team effectiveness, international relationships, cultural diversity, dispute resolution, conflict management, health/benefit issues, sales methodology, and more.

In this nebulous and difficult-to-describe fashion, we have found an organic and incredibly flexible means to respond to the multiple situations presented to us by organizations and enterprises committed to surviving and thriving in the face of the ubiquity of change.

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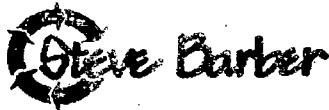
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**"PARADIGMATIC" THINKING**

What? Thinking in paradigms or using paradigms or models to illustrate, explain, or understand different ways of doing things in order to accomplish or fulfill fundamental needs or purposes. A tool to make change possible while taking the anxiety out of the future.

*"We think this stuff is great, but they'll never go for it."*

How many times I've heard this from both union and management! If you've said it yourself about your desire to see change happen in your organization's or enterprise's labor relations, we can help you with this important step in getting started. Letting the genie out of the bottle comes first. If the decision to do this is made using the principles and techniques you seek to embrace, the genie's magic is **ENDLESS!!**



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# in the crow's nest

A publication from Steve Barber, PARADIGM PILGRIM

Barber & Gonzales Consulting Group

Spring 1997

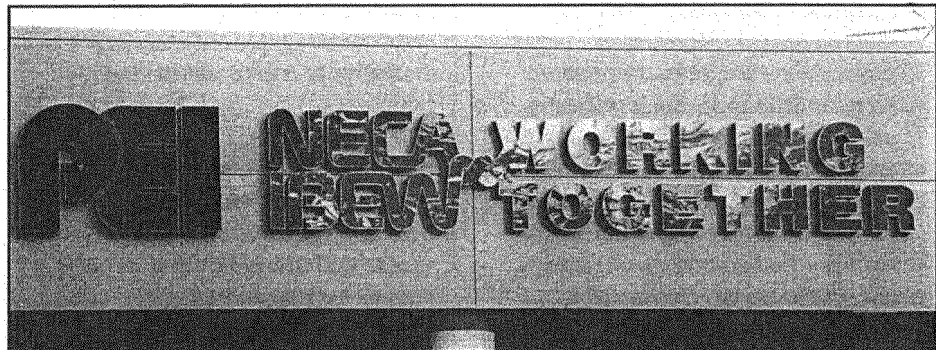
## Canadian Justice Promotes Interest-Based Bargaining

by  
Don Quinn  
Calgary Board of Education

On June 13, I attended the opening of the 1996 Labour Arbitration Conference in Ontario, Canada. Since the topic was Labour Dispute Resolution, I did not expect to hear much if anything about interest-based bargaining, but was I pleasantly surprised!

The keynote speaker, a Mr. Justice George Adams of the Ontario Court system, spent virtually all of his hour and a half extolling the merits of interest-based negotiation. During his comments, Justice Adams pointed out that the labour-management and economic environments have changed so much that the positional approach no longer serves anyone well. He also recounted his experiences with 11th hour bargaining, and noted that the interest-based approach tends to become operational when things get down to the "nitty-gritty".

These comments come from a man with strong credentials. Justice Adams, among other things, designed the dispute resolution provisions of the no-fault motor vehicle insurance legislation in



A sign on the side of a building in Placer County, California captures the commitment of the National Electrical Contractors Association and the International Brotherhood of Electrical Workers (IBEW). These two national giants have realized that each is the other's best ally in a very competitive world. You've probably seen similar signs at construction sites and decals on new cars proclaiming a similar partnership between the UAW and Ford.

Ontario, mediated the Algoma Steel Corp. restructuring and mediated a legal dispute brought by the Public Trustee against the sale of the Toronto Maple Leaf. More recently, Justice Adams was appointed to chair eleven mediation-arbitration commissions to concurrently deal with a national railway dispute. His strategy included hiring a number of mediators to work with the parties in getting ready as well as a number of industry experts to help them craft options into solutions. Justice Adams explained that, in the event they would be unsuccessful, he planned to use these experts to help him write the settlements. The results are a testimony both to Justice Adams' credentials and to the merits of the process; five of the eleven unions settled through

this process, and the remaining six made substantial progress so that Justice Adams was left with only the key issues on the table.

Canadian court judges generally aren't as public as Lance Ito! To hear such a distinguished gentleman enthusiastically embrace the seeking of "elegant solutions" (his words) and to use his influence on some 500 management, union (public and private), and government employees was, to say the least, encouraging. The CBE was also represented by members of its staff and classified associations. We all heard a very interesting and relevant endorsement of this approach to doing business as we are seeking at the CBE.

## Surf's Up! Interest-Based Solutions

### On The Rise

By Jennifer Harder

**BARBER & GONZALES** has known for years that the interest approach is a valuable problem-solving tool. We hoped that the pebble we and others dropped in the labor relations pool in the 70's would create a ripple effect throughout the public and private sectors. It did. In the past twenty years, awareness of the benefits of consensus has grown from a single drop in the ocean to a surging tide of vast proportions. Organizations, workplaces and communities have caught the wave of consensus; at its crest they are streamlining budgets, improving health and safety, revitalizing education, increasing jobs, planning development, managing resources, and bolstering the economy. The following recent examples illustrate the breadth of this growing movement:

- In Maryland, environmental activists, private industry, county and local governments, and 110 citizens' groups used a consensus approach to solve fractious landfill issues.
- In California, the interest approach helped heal the scars of contract wars between school districts and unions, enabling schools to focus on their real mission - educating students.
- In Arizona, officials designed a successful desert planning law, supported by both home builders and conservationists, that allows development while preserving native washes.
- In Maine, legislators, supported by their constituents, shaved \$1 billion from a \$3 billion budget

while preserving essential programs and services.

- In Massachusetts, citizens and regulatory officials overcame a history of mutual distrust to develop new regulations insuring disability access to marine facilities.
  - In New Mexico, environmentalists and sheep grazers triumphed over deep cultural divisions to devise a land-use policy that respects both groups' interests.
  - In Ohio, administrators curtailed a consistent \$200 million per year overage on Medicaid spending without alienating constituents or stalling the system.
- Why is the tide of the interest ap-

proach rising? The answer is that the method does not depend on luck, chance, or the position of the moon. It is based on sound principles that provide a firm foundation for building relationships within a community.

For surfers, the big waves are not simply a form of recreation unrelated to the "real" world. Instead, they are the foundation of a life philosophy: they provide an exciting challenge, an opportunity to excel, a learning experience for the mind and the body. The interest approach similarly frames the relevant experience - conflict - as a challenge instead of an obstacle, an opportunity to excel. So the next time you face conflict, grab your board and jump on the consensus wave, 'cause...Surf's Up!

*Jennifer Harder is a U.C. Davis Law Student and summer intern for Barber & Gonzales*

### It's Not "Just Getting A Deal"

We have heard it said that the interest approach to negotiations is "just another way to get a deal." This is said as though that is all there is to negotiations, as though there is nothing but the "deal" or agreement.

The condition of the relationship is an important part of every negotiation. Every aspect of a relationship involves negotiation, however formal or informal. From deciding where to eat dinner with your family, to wages and working conditions in the workplace, people must make decisions which involve others with whom there is a lasting or ongoing relationship. In their day to day lives, people with good relationships take into account the impact their negotiations have on their relationship. They do this because they know that after the "deal" the relationship goes on.

In work relationships, the "industrial model" usually simply denies that relationship issues arise, seeking to "blame" instead. The result is a dysfunctional relationship. Using the interest approach "just to get a deal" does not allow for the future. The result is no less dysfunctional because it denies the future of the relationship. Such an application is inconsistent with the principles of the interest approach which require the future of the relationship to be a primary issue. To seek "just to get a deal" will have no better long term result than pounding on the table, calling names, bargaining in the press and threatening in order to achieve the "bottom line."

## Placer County High on Dispute Resolution

By Cynthia Spears, Placer Dispute Resolution Service

Immediate gratification has not been a hall mark of the development of Placer Dispute Resolution Service (PDRS), a non-profit, volunteer, community mediation service which has resolved disputes in Placer County since June, 1992. It's the phenomenon of a "mediation high" (that exhilarating sensation occurring when disputants, so angry they won't even make eye contact, experience a breakthrough and are transformed by the mediation process into partners jointly defining and solving their conflict) which has kept us motivated on the long road to success.

PDRS worked with county officials from June, 1991, until March, 1992, to get the Dispute Resolution Programs Act (DRPA) program passed in concept by the Placer County Board of Supervisors. The DRPA allows individual counties to set aside three dollars of civil court filing fees in a trust fund which is used to fund community mediation. A year later, in 1993, the Board officially passed a resolution allowing filing fees to accumulate in the DRPA trust fund.

In the interim, PDRS, developed procedures policies, systems for running the organization, trained our volunteer mediators and extensively marketed PDRS, forming a network of referral sources within the community. Then, in September, 1994, we received our first county funding. Prior to that, PDRS was run on a strictly volunteer basis with in-kind contributions of time and supplies augmented by proceeds from our public course on collaborative negotiation and mediation.

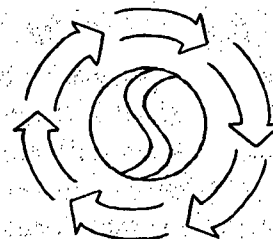
Our Goal has been to create a viable forum where mediation can exist as a conflict resolution option for the citizens of Placer County while establishing the credibility and professionalism of our organization. Making PDRS a reality has been a long haul requiring lots of persistence, patience and commitment. We jokingly refer to ourselves as "perpetual cheerleaders" since our greatest challenge is educating the public on the value and effectiveness of mediation. Establishing the program in a rural community has been an additional challenge. Happily, each time we mediate a dispute and the

"mediation high" kicks in, we know it's all been worth it!

C.S.

**BARBER & GONZALES** has an extensive collection of articles illustrating the use of interest-based agreements in different venues.

Request a copy from:  
Barber & Gonzales  
6963 Douglas Blvd., Suite 102  
Granite Bay, CA 95746-6256  
Phone 916 786-4368  
Fax 916 786-0750



## South Fork Dialogue Takes Off

*"Today, land use planners, naturalists, bureaucrats, and even many of the engineers who have remade the rivers of the state are recognizing the economic, aesthetic, and environmental benefits of symbiotic blending of the designs of men and rivers."*

Jeffrey F. Mount, *California Rivers and Streams*

It sounds good, but how do you do it?

People in El Dorado County have been fighting over the South Fork of the American River for years. Lawsuits, negative political campaigns and public name-calling all have paralyzed effective use of the resource and created deep wounds within the community.

In an effort to break the standoff, a small yet diverse group of stakeholders from the South Fork watershed convened last fall. Individuals from state and local resource agencies, water districts, electric utilities, commercial and private boaters and environmental advocates showed up. Their mission as simple: Do we want to continue doing business as usual or do we want to try something that might work better?

After a three hour "lecturette" on the principles of interest based negotiations by Steve Barber, the group decided to give it a try. Since that first meeting more than year ago, the South Fork Dialogue has evolved into a "multi-stakeholder" process of about 40 participants. The group has weathered several major challenges around the issues of trust and communication. Participants are committed to learning the information gathering, communication and process skills which will enable them to tackle the big questions over allocation of the river's resources.

## BARBER & GONZALES CONSULTING GROUP

**Who are we?** Barber and Gonzales Consulting Group is a loosely affiliated group of people, led by Steve Barber, dedicated to helping organizations develop processes for effective communications and negotiations. We help answer the question,

**Is there a better Way?** This question is most often asked after communications and negotiations have broken down. There is a better way! It is called the "Interest Approach" to negotiations. This process asks people to address the issues that face them, identify their needs and interests as they relate to the issues, and develop solutions that meet the interests of all the parties.

**What do we do?** We offer a variety of services, based on the needs of the client. In order to inform groups considering the **interest approach**, we offer an orientation which gives information upon which a rational decision to proceed can be made. A comprehensive 3 day training begins the learning process. During the third day of training the teams actually begin to address issues belonging to the client. In order to help reach our goal of "working ourselves out of a job," we provide experienced facilitators to enable our clients to succeed in the process of becoming self-sufficient. We also provide ongoing support and follow-up for our clients.

---

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address correction requested

## LEADERSHIP ALERT.....

The need felt by many organizational leaders to transform their enterprise, whether in the public or private sector, is causing them to leap into strategies they later regret: Total Quality Management (TQM), Participatory Management Teams (PMTs), Self-directed Work Teams, Continuous Improvement Systems (CIS), Quality Circles, Employee Involvement, Site-Based Management, Contracting Out, Privatization, Competitive Contracting-in, Performance-based Pay, and more.

Each of these strategies have a lot to offer any organization faced with shrinking resources and escalating demands for improved quality and service. Yet many leaders and organizations bounce from one to the other, trying this one and then that one, in search of the "magic pill". These efforts are short-lived "flashes in the pan", ultimately leaving organizations more dysfunctional and cynical. Their leaders, criticized for faddishness, are left without credibility.

The research is showing that **80% of these efforts stall or fail within two years of inception!** Many of these systems are rather elegant, represent systemic and lasting changes that can occur for the betterment of the organization and the services rendered to customers, taxpayers, and elected officials. Many of these systems do indeed have the capacity to cause remarkable, even dramatic, transformations in organizations. Why, then, do they fail?

**Here's why!** As a rule, most of these organizational management methodologies fail or stall because they **lack legitimacy** in the first place or are **implemented without an operating system** even when they are legitimate in the eyes of those expected to practice them.

These methodologies are so dramatically different at their core that (1) understanding and commitment to engage them by the employees, managers and supervisors who will be expected to function within them is a prerequisite. Once committed to, (2) they must be operated by utilizing a process of communication, problem-solving and decision-making that reflects the principles of mutual ownership and responsibility contained within each of these methodologies. Absent these two components, the leader who "forges ahead regardless" should expect to fail.

Interestingly, both components can be found in one process:

### **interest-based negotiations**

We consider the interest approach to communication, problem-solving, and decision-making to be the necessary process enabling these management methodologies to succeed. Much like the operating system of a computer or the DNA of a living organism the interest approach provides the operational process for these methodologies to come to life in any organization. Our successful clients have provided us with the basis for this claim.

### **Barber & Gonzales Consulting Group**

Paradigm Pilgrims  
in

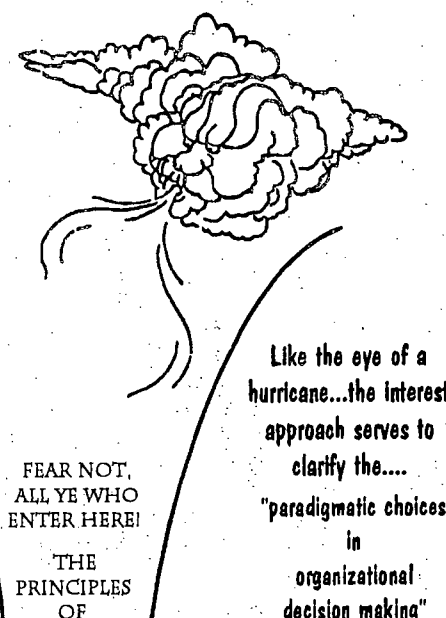
Communication ⇔ Negotiation ⇔ Organizational Effectiveness

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Phone 916 786-4368 - Fax 916 786-0750 - Email: PrdymPlgrm@aol.com

Web page: <http://pcpc.com/sbarber>

But, more importantly, it is a tool for those truly committed practioners to use to reduce the possibility of difficulty. Each "cell" in the nautilus is a point of focus which any and all relationships in human organizations known as corporations, businesses, bureaucracies and more, must address. Watch for it to appear on our web site this summer.



Like the eye of a hurricane...the interest approach serves to clarify the....  
"paradigmatic choices in organizational decision making"

FEAR NOT,  
ALL YE WHO  
ENTER HERE!

THE  
PRINCIPLES  
OF  
QUANTUM  
PHYSICS  
APPLY.

EXPECT TO  
EXPERIENCE  
UNCERTAINTY,  
UNPREDICT-  
ABILITY,  
INTER-  
DEPENDENCE  
PARALLELISM,  
PARADOX  
AND  
CONTRADICTION

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Steve Barber



# Newsletter...

Spring / Summer 2000



## Training enhancements we're now using

# FISH!

Through an exploration of the world famous Seattle Fish Market, participants discover four principles they can use to build an organizational focus of service, personal responsibility, fun, and passion.

**OUR WEBSITE AS YOUR  
RESOURCE**

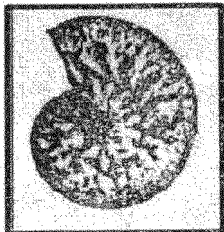
[www.paradigmpilgrim.com](http://www.paradigmpilgrim.com)



**more about the website inside...**

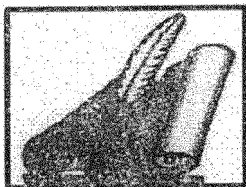
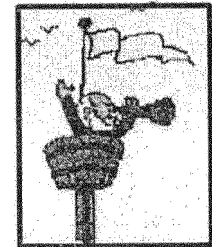
# The Barber and Gonzales website hosts "group memory" from "drills" in day 3 of Basic Interest-Based Approach introductory courses...

[www.paradigmpilgrim.com](http://www.paradigmpilgrim.com)



**33 questions  
you must answer  
before you do an  
interest-based  
negotiation**

**Our basic  
"work book"  
we use in  
training**










**Articles we've  
written about the  
emerging paradigm  
of decision-making  
and more...**

**Barber & Gonzales**  
Consulting Group

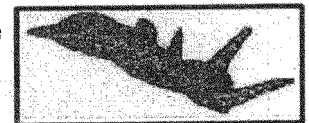
PARADIGM PILGRIMS IN  
COMMUNICATION  
NEGOTIATION  
ORGANIZATIONAL EFFECTIVENESS

Click on the images to explore the information described.

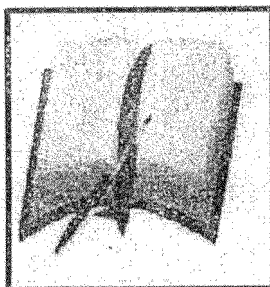
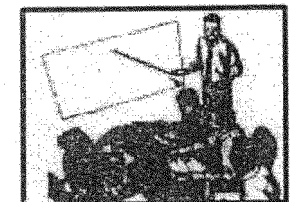
 <small>The Nucleus of Organizational Issues Independent with an Interest Based Approach</small>	 <small>Navigating the arena for paradigm of interest-based negotiation</small>
 <b>Exercises</b>	
 <small>A Brief Overview of the Interest Based Approach to Negotiation</small>	
 <small>Articles by Barber &amp; Gonzales and related entities</small>	 <small>Links and Bookmarks to organizations, associations and parties related to IBA</small>
 <small>Discovering a better way Advocates about IBA in Labor Environment Community Public Policy Organizational Development/Performance Planning Issue Resolution</small>	

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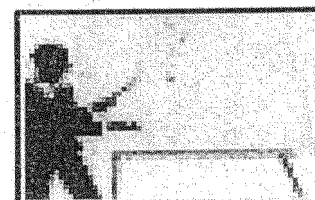
**The principles  
and process  
at a glance.**



**This thing  
is bigger  
than both  
of us!!!**

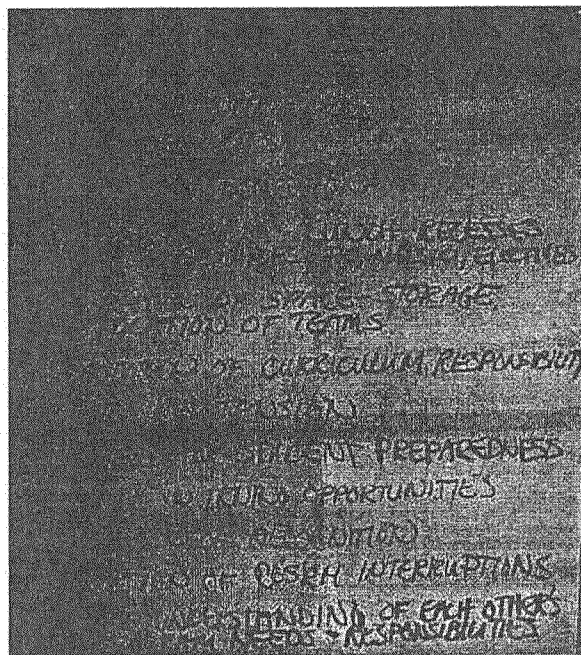


**We aren't the only ones  
advocating the end of ideology  
and the self-examined life!!  
There are real examples to find.**

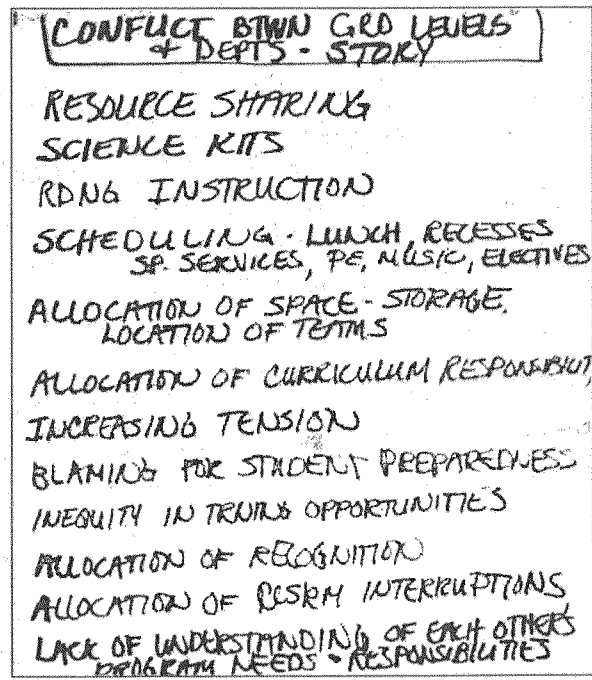


**We do drills on Day 3  
"inside" organizations  
and "practice" IBA principles  
on real issues**

We are now using Whiteboard Photo to enhance our "group memory" for later reproduction and posting on the website. We were frequently left with a gray or yellow background—a problem easily corrected with this excellent software. Check out our "before and after" shots below, or go to the [www.pixid.com](http://www.pixid.com) website for more information on this product. If you are memorializing your group memory for distribution or web posting, this is the tool you need.



BEFORE



AFTER

### We found...

...an excellent set of articles on management (not leadership) and work groups at the Gallup website:

[www.gallup.com/poll/managing/Workplace.asp](http://www.gallup.com/poll/managing/Workplace.asp)

This is an ongoing set of articles written by the authors of **First, Break All the Rules**, Marcus Buckingham and Curt Coffman.

These articles examine workplace satisfaction and motivation in a counter-intuitive manner...focusing not on wages, benefits, and other rewards that are commonly believed to be the more predominant reasons employees stay in their jobs. Take a look.



**Chris Rust, a facilitator in the Battle Ground School District (Vancouver, WA), thought enough of our "AIKIDO" Diagram he made it legible using his computer.**

## Thriving on the KNOW

- No
- Position
- Solution



- Don't react
  - Breathe
  - Seek first to understand
- "That sounds like a solution. Help me understand..."

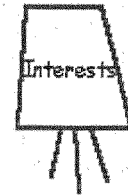
*Practice "Principled Aikido" in the face of unilateral power or ignorance-based positional behavior by others.*

...what's the problem?"  
...who else is involved or impacted?"  
...if you got that solution, what part of the problem would it solve?"



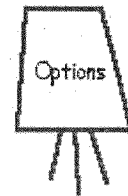
What?

...why you like it?"



Why?

...are there other possible solutions that you or others have thought of?"



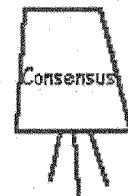
How?

...what would be the impact upon the interests of the other parties to this or with a stake in the outcome?"



Can?

...wouldn't this solution require the agreement of others?"



Will?

...what would it look like in detail if we were to do it?"



WWW?

@ Steve Barber, 1998

## We are planning...

...a three-day training in interest-based decision making in the context of the organization and the community. Steve Barber will present this popular course in "The Emerging Paradigm" in Rocklin (Sacramento area) this November. Contact us for the details!!!



## LEADERSHIP ALERT....

*Ed's Note: Some time ago we sent along a bulletin to our clients and prospective clients containing a "warning" about the siren song of various workplace transformation initiatives. Recently, the "pay for performance" bug has been infecting a number of people in positions of leadership within the public schools, notably the Los Angeles Unified School District. All we can say regarding this news is "here we go again!"*

*In an extensive article about this topic which appeared in the Los Angeles Times (April 8, 2000) it was noted that that this approach to making a difference in education has worked in only one case, Denver. Interestingly, the reason that it worked in Denver was that the parties seemed to have been reading our bulletin!! Why? They asked the people to be affected by the initiative to design it!! Here's our article again:*

The need felt by many organizational leaders to transform their enterprise, whether in the public or private sector, is causing them to leap into strategies they later regret: Total Quality Management (TQM), Participatory Management Teams (PMTs), Self-directed Work Teams, Continuous Improvement Systems (CIS), Quality Circles, Employee Involvement, Site-Based Management, Contracting Out, Privatization, Competitive Contracting-in, Performance-based Pay, and more.

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must be operated by utilizing a process of communication, problem solving and decision making that reflects the principles of mutual ownership and responsibility contained within each of these methodologies. Absent these two components, the leader who "forges ahead regardless" should expect to fail. Interestingly, both components can be found in one process: **Interest-based negotiations.**

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### From Barber and Gonzales:

#### ***Tools we are fiddling with...***

We have been examining recent developments of "systems thinking" in an effort to expand our abilities in the area of organizational development. In the setting of a social system, like an organization, "systems thinking" seeks out leverage points where small efforts can create large changes. These changes are often far away in time and distance from the point where the leverage is applied. Systemic changes create their own energy and inertia...offering sustainability where more direct action might fail in the long-term.

With training in interest-based decision making, behaviors realized as effective for group decision making are introduced and practiced within the organization. Employees, supervisors and managers who continue to practice these skills and who remain aware of the ineffectiveness of their old behaviors in the modern workplace, are seeing an emergence of participation and cooperation in areas extending beyond traditional boundaries of negotiation. Organizational structure changes to accommodate participation and inclusiveness.

In a future bulletin, we'll talk more about the toolbox of a "systems thinker." At the present, we would recommend the following materials from the Internet:

[http://newciv.org/ISSS\\_Primer/seminzi.html](http://newciv.org/ISSS_Primer/seminzi.html)

#### ***What is a system?*** by Bill Shireman

Describes the difference between a system and a program with some insights as to how systems can approach many problems more effectively than programmatic solutions.

<http://wholeearthmag.com/ArticleBin/109.html>

#### ***Places to intervene in a system***

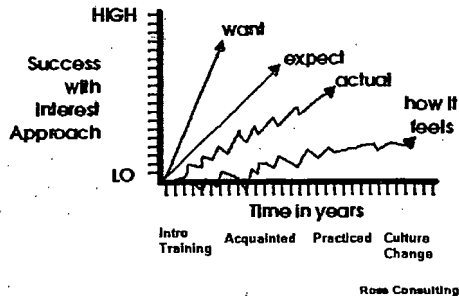
by Donella H. Meadows

Dr. Meadows offers a brief outline of leverage points for systemic change. She demonstrates how most people use their intuition in applying systemic change leverage, where a *counterintuitive* approach yields better results.

# From Introduced to Acquainted

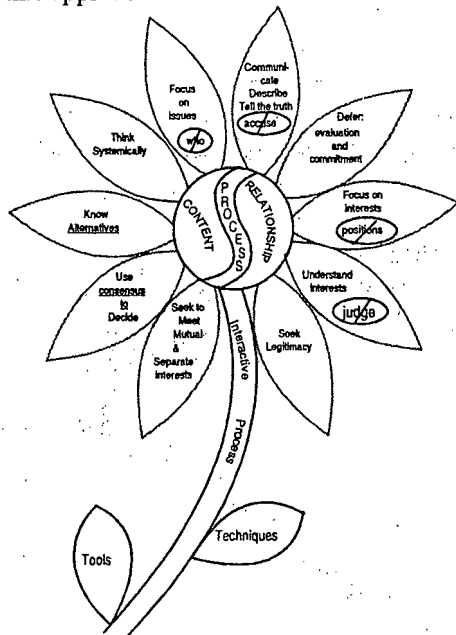
By Wendy Larsen

*Wendy Larsen is a practitioner and consultant in the "virtual corporation" known as the Barber and Gonzales Consulting Group*



Much of the initial learning in an interest based process focuses on the interactive process used to develop the elements of Story, Interests, Options, Evaluation, Commitment and Implementation. Groups struggle to weed out options from interests, to defer evaluation during brainstorming, and to root out the urge to get to solution without fully understanding the issue and interests. With careful tending by a facilitator the group is able to use the tools and techniques of interactive process to strengthen its use of the elements to arrive at creative solutions.

Still, the beauty of an interest approach does not reside in its elements. It is in seeding the field of relationships in the organization with the principles of this approach.



Growing in the process is most evident when practitioners use the principles as a matter of habit rather than deliberate choice. Growth takes time and nurturing. The nutrients needed are: awareness of the choice points, a deep commitment to this effective process, and patience.

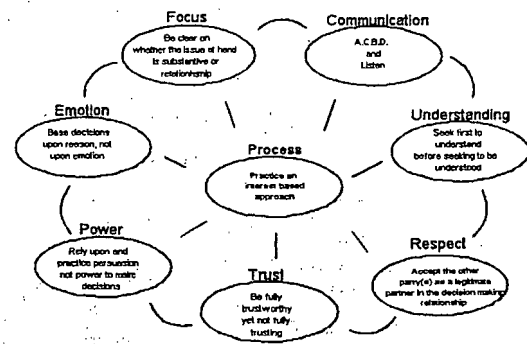
Questions and reflection are like air and water to a living organism. Question why we do things the way we do, who should be involved in this decision, how can we improve our process in both getting ready

and getting together, what has been effective for us and what could be improved. The questions are not for the purpose of being confrontational or judgmental, but rather to gain a greater understanding.

Reflecting on our own practice ought to be integral and reflexive. Practice will build skills. It is through reflection that we learn. Reflection will enable us to holistically incorporate the principles of an interest approach into our lives.

Seeding the field organizationally involves continuous education. People in positions of leadership are obvious choices for education. It is, however, when the principles of the interest based process are being practiced at the outermost branches of the enterprise that the process has truly taken root.

As the "flower" begins to grow within an organization the strengths and weaknesses in the relationship become more and more evident. So, as the transformation begins so does the work on building truly effective relationships.



Effective communication links between parties in the organization are designed and/or strengthened when information becomes a tool for all to work with - not a privilege of leadership. With effective communication comes greater understanding not only of issues, but also of other members of the organization and their roles and responsibilities. Understanding leads to respect - the kind of respect shared by partners. Showing dignity and respect to people within an organization allows trust to build. Power becomes a commodity that grows as it is shared.

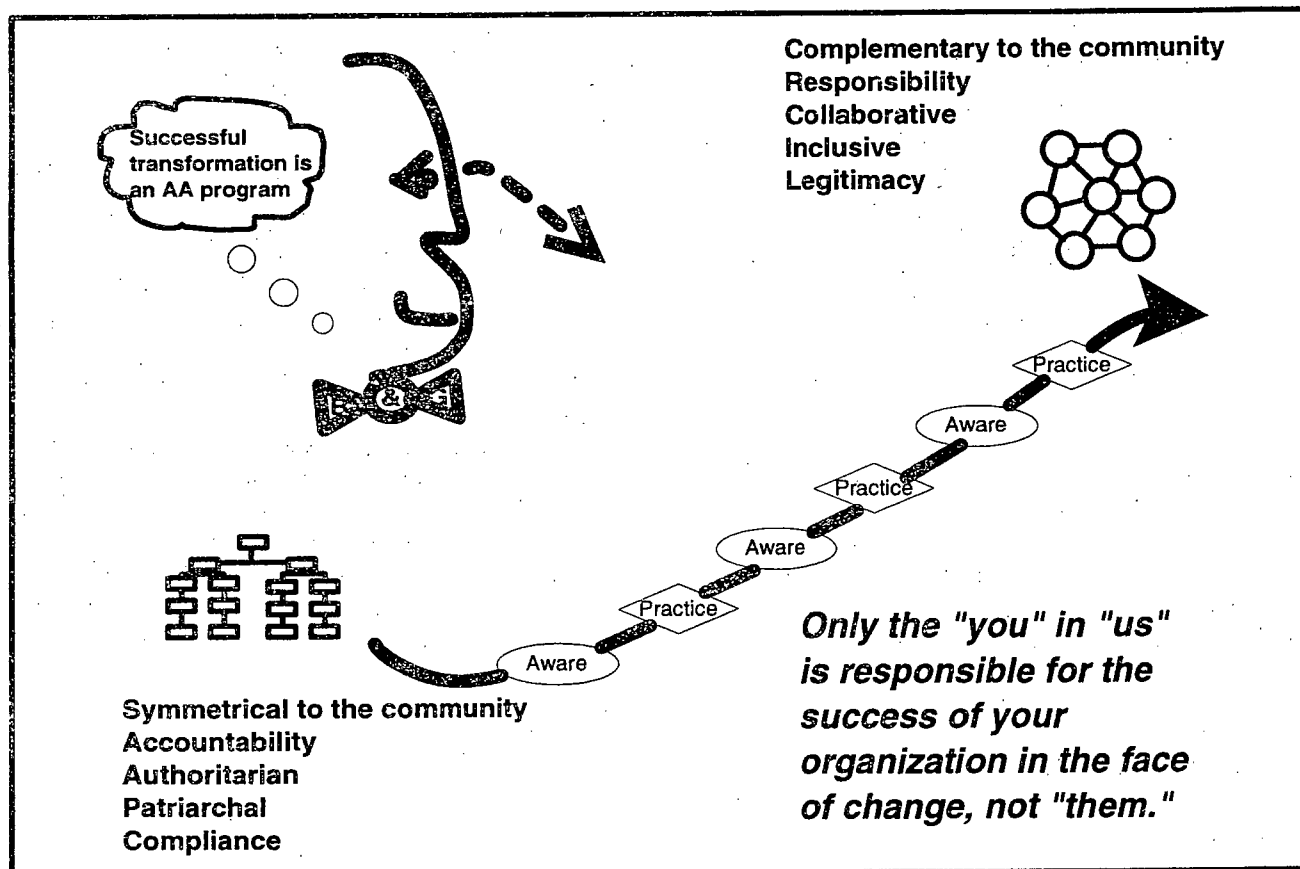
With the internalization of the principles of an interest based approach, the transformation of an organization or an individual begins in earnest. It is exciting.

Stop and smell those roses!



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# 'Interest-based' parleys add trust to labor talks

## Alternative negotiation model shuns demands for mutual compromise

BY MIKE ALLEN  
Staff Writer

Teachers at Grossmont-Cuyamaca Community College District are still in the midst of negotiating their contract, but you won't hear any saber rattling from a member of its negotiating team.

Donne Leigh, a counselor at Grossmont College, said since the district has adopted a new way of bargaining, relations among the district's administration, faculty and classified staff has steadily improved.

"It's had a positive impact on how the entities view each other," Leigh said. "I expect that by the end of the next school year, we will have a new contract."

Leigh can remember the way negotiations occurred before the district adopted a process called "interest-based bargaining" more than two years ago.

"It is more cordial and so far, at least, we're pretty much satisfied with the results," he said. "So far, it's worked well and it's better than the old way."

The "old" way is still used as the predominant method of collective bargaining between management and labor groups in this country. Essentially, it is an adversarial model where one side comes to the table with a list of demands and the other side tells them all the reasons why the demands are unreasonable and cannot be met.

In subsequent meetings, the demands are amended and somewhere down the line, through mutual give and take, an agreement is reached.

In the "interest-based" alternative, the parties don't make demands. Instead, they look at all sides of an issue — the "interests" of the respective parties — and discuss ways those interests can be equitably satisfied.

Charlene McMahan, vice chancellor of human resources and administrative services for the district, said interest-based bargaining focuses not on answers, but on the problems facing all parties. Once all the interests are presented, a long list of possible solutions are put on the table and discussed, and eventually, an agreement is reached.

"With this approach, you don't come in with demands; you come in and look at both sides of a story," McMahan said. "You say, let's look at this together. Let's look at all kinds of ways to solve this problem. It's like a joint problem solving exercise."

Last year, Grossmont-Cuyamaca put the new system to its toughest test, in hammering out agreements with both faculty and classi-

fied staff in the face of shrinking revenue projections, no employee cost-of-living increases for the previous three years, an outdated computer system and delayed building maintenance concerns.

By using the new process, the district came up with a comprehensive solution that included providing a pay raise to the employee groups, renovating several buildings, and putting a down payment on a new computer system, she said.

McMahan said when the decision to try the new bargaining strategy was made, relationships between the bargaining groups and administration were strained at best, and not everyone was enthusiastic about making the change.

"The teachers were telling us, 'Why should we do this? We've got a good agreement now and we've done very well,'" said McMahan. "Now, they are one of the strongest advocates of it."

Classified staff also find the new system far more to their liking.

Gail Standring, past president of the district's unit of the California School Employees Association, said for a long time, the feeling among many classified staffers, such

---

*"Now we meet in a setting where there's no animosity between us."*

---

Gail Standring

as secretaries and janitors, was that "we were always looked upon as second-class citizens and we weren't being heard. ... In an organization that was run by administrators and faculty, we were just sort of there."

But, as the group got involved in the process, those perceptions changed.

"Now we meet in a setting where there's no animosity between us," she said.

The process isn't perfect. Agreements take much longer to develop, perhaps about a third longer, "but it saves a lot of heartache and hard feelings," Standring said.

Also, making the system work takes a commitment from every party, especially the leadership.

Grossmont-Cuyamaca's new chancellor, Jeanne Atherton, and several other key administrators, including McMahan, are key reasons the new system has taken root, she said.

"There has to be a level of trust and that took a long time in coming," Standring said. "But with the new group coming in, we're basically dealing with people who have gained

our trust and because of that, buying interest-based bargaining came a lot easier."

The interest-based approach has been catching on in this state and across the nation, said Steve Barber, a consultant with the California Foundation for the Improvement of Employer-Employee Relations.

So far, about 70 school districts in this state as well as a number of special municipal districts have adopted the system. It is also being used to some degree in several cities, including Sacramento, Petaluma and Roseville, Barber said.

The concept of interest-based bargaining grew out of strategies first promoted by Roger Fisher in his book, "Getting to Yes," and were used by President Jimmy Carter in forging the 1978 Camp David Accords between Egypt and Israel, said Barber.

Of those agencies that try the new system, about 10 to 15 percent abandon it, and returned to the traditional model, mostly because the new method requires hard work and continuous evaluation, he said.

For those that stay with it, the consequences are almost universally improved levels of trust, more cooperation, and less labor strife, he said.

One San Bernadino area school district estimated it saved about \$750,000 and its teachers union said it saved about \$150,000 because of the reduction in the number of labor grievances, Barber said.

Still, everyone isn't convinced interest-based bargaining is suited for every place.

The city of San Diego, while aware of the new system, says it likely will continue working with its various employee groups using the traditional model.

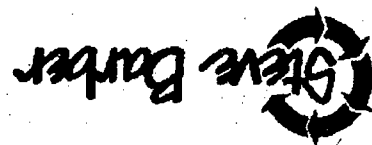
Cathy Lexin, labor relations manager for the city, said the process demands a lot of trust among the different groups, "and we've got some mending of relationships that have to occur."

She also noted that case law governing collective bargaining is all based on the traditional model. Should negotiations break down using the new process, "no one knows how the courts would deal with that so it's a little bit scary," Lexin said.

Barber said in such cases, groups always have the option of returning to the traditional way of negotiation.

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#### WHAT'S INSIDE.....

We're sending along an interesting newspaper article about using an interest approach in labor relations and the struggle to shift the paradigm in organizational relations from confrontation to participation and collaboration.

It shows again that the best place to start a change process that is legitimate and assured of lasting results is at the crucible of the employer-employee relationship: in negotiations about terms and conditions of employment. The parties to the relationship featured in this article offer their sober assessments of the effort.

#### THE VIDEO!!!!

Ah, the video! Yes, it's true, people actually like the video. The business about lightbulbs always going on everytime Steve presents "the lecture" fits.

#### THE CD-ROM!!!

Well, not quite...yet. But it's coming along. We have a "chapter outline" available for \$10 if you want one.

Call to inquire: (916) 786-4368.

# **MANAGEMENT AND TEACHERS' ASSOCIATION TALLY SAVINGS FROM PRACTICING AN INTEREST APPROACH: \$1 MILLION IN CORONA-NORCO**

By:  
Shelby E. Wagner, Ed.D.  
Assistant Superintendent  
Personnel and Evaluation Services  
Corona-Norco Unified School District  
and  
Jim Kearney  
Chief Negotiator  
Corona-Norco Teachers Association

Twenty-four employees and school board members from the Corona-Norco Unified School District participated in the CFIER training activity in Sacramento during February 1992. As a result of that meeting, many positive relationships have developed and crises survived!!!

The interest-based concept has been utilized as a collaborative bargaining process and in other applications. A small committee was formed which provides introductory and supportive activities throughout the school year at various district sites and to various personnel. These orientations utilize and introduce the concepts as taught to us in Sacramento.

Periodically, the original group of 24 employees and school board members continue to meet with our CFIER consultant/facilitator, Steve Barber, for renewal and "process-check" purposes. At our meeting in February, 1994, a comment was made as to how much money the district as well as the local CTA affiliate had saved because of the process. This prompted our deliberate examination of the subject. The following are estimated savings for both the district and the Corona-Norco Teachers Association as a result of using this CFIER process to resolve major issues.

Our estimate of savings in the following nine (9) applications is based upon (1) our prior experience of how we have traditionally resolved situations of the nature we've described, and would have used but for the application of the interest-based model: (2) our candid assessment of the details of each situation as known to us both.

## **APPLICATION: Contract Implementation and Interpretation**

At the end of the tenth month, the District and CNTA analyzed their efforts at reducing tension and solving problems short of grievances and/or legal action. After the first ten months, forty-three problems and concerns had been resolved utilizing the CFIER process.

Estimated savings to the District: \$86,000  
Estimated savings to CNTA: \$25,000

## **APPLICATION: Non-reelection of Probationary Teacher Steve Barber**

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Phone 916 786-4368 - Fax 916 786-0750 - Internet: PrdymPlgrm@aol.com  
Web page: <http://pcpc.com/sbarber>

Past practice for the district was to non-reelect any unsatisfactory first or second year probationary teachers. Because of the adversarial relationship, grievances were often filed and attorneys were involved during the non-reelection process. As a result of the CFIER process, a method has been established wherein if there are probationary teachers who are subject to non-reelection, all parties know and understand the reasons and rationale in sufficient time to avoid all problems.

Estimated savings to the District: \$100,000

Estimated savings to CNTA: \$20,000

**APPLICATION: Year-round/Conventional Track Transfers**

Teachers were voluntarily and involuntarily transferred from a year-round school to a school with a traditional track. As a result the teachers went from being paid on a twelve to a ten month basis. Again, utilizing the CFIER process, a method was worked out so that no one would suffer economically because of the unexpected loss of two paychecks during the summer months.

Estimated savings to the District: \$50,000

Estimated savings to CNTA: \$7,000

**APPLICATION: Problem-solving on Single Employee Situation**

There was a teacher who had suffered from ill health and wanted to retire although he could not retire at the present time. After looking at the teacher's sick leave days, it was determined that the teacher could utilize his sick leave days, be provided a retirement bonus, and retire effective at the end of the school year. Utilizing the CFIER process, the District and CNTA were able to avoid a lengthy series of legal and medical issues.

Estimated savings to the District: \$75,000

Estimated savings to CNTA: \$15,000

**APPLICATION: Physical Condition of Classrooms**

The negotiated agreement between the parties addresses issues pertaining to the conditions of the classroom. There have been complaints regarding air conditioning, heating, and classroom equipment which could easily result in grievances. Utilizing the CFIER process, these issues have been resolved quickly and without grievances.

Estimated savings to the District: \$80,000

Estimated savings to CNTA: \$15,000

**APPLICATION: Interpreting District Policy vis a vis the Contract**

There have been several instances where the school site administration and faculty do not agree on interpretations entered in District policy as adopted by the Board of Education or in the negotiated

**Steve Barber**

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agreement. Utilizing the CFIER process, representatives of the school district and CNTA have met to resolve all issues.

Estimated savings to the District: \$75,000

Estimated savings to CNTA: \$15,000

**APPLICATION: "Mainstreaming" Special Education Students**

There was a major concern shared by some teachers regarding the mainstreaming of Special Education students into their classes. Utilizing the CFIER process, The District and CNTA resolved these issues.

Estimated savings to the District: \$50,000

Estimated savings to CNTA: \$10,000

**APPLICATION: Disciplinary Action**

The District initiated disciplinary action on a certificated, tenured employee for lack of competency. The proceedings started with the issue of taking deposition. After one meeting, it was determined that the CFIER process could be utilized by the parties to meet the needs of all concerned.

Estimated savings to the District: \$125,000

Estimated savings to CNTA: \$50,000

**APPLICATION: Employee in Distress**

The District and CNTA mutually worked to assist a teacher who was having difficulty. The teacher was placed on a paid leave of absence for the remainder of the year and the complete following year. The teacher utilized her sick leave days and retired at the end of the year. Utilizing the CFIER process, dismissal proceedings were not initiated.

Estimated savings to the District: \$86,000

Estimated savings to CNTA: \$25,000

**SUMMARY:**

The total estimated savings to the District and Union of \$909,000 should be seen not only as cash and human energy not expended on behalf of acrimony, but also as resources or assets applied to the true mission of the organizations.

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**Steve Barber**  
**Barber & Gonzales Consulting Group**

PARADIGM PILGRIMS

in

COMMUNICATION ⇔ NEGOTIATION ⇔ ORGANIZATIONAL EFFECTIVENESS

August 1, 1997

*Hello....*

**Let me be blunt:** *pay for performance, merit pay, compensation by objective*, and a litany of other motivational compensation schemes may sound good, but unless you are selling used cars, they just don't seem to work.

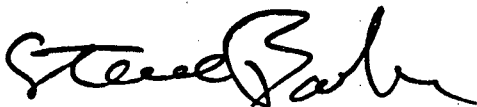
The article we have sent along here was due to be published in our next newsletter (it was originally published in the Arizona Alliance for Collaboration newsletter). However, there is developing a virtual "rash" of interest in how to motivate employees, managers, and supervisors in the face of increasing demands and diminishing resources by using such schemes. So, we're sending it along to you now rather than later.

The problem is systemic. So are the effective solutions. Yet, the rash of interest in non-systemic, Pavlovian schemes shows how seductive is the need for immediate gratification.

A comprehensive look at successful systemic responses is contained in the Report of the *Secretary of Labor's Task Force on Excellence in State and Local Government Through Labor-Management Cooperation*.

Check the back page to learn about an opportunity to become acquainted with this cutting edge research.

**Please**, if you or someone you know of in your organization is talking about or contemplating the introduction or implementation of any kind of *pay for performance, merit pay, or compensation by objective* scheme, **give us a call**. Perhaps we can help you or your organization keep from making a serious mistake that will take many years to overcome.



Steve Barber

# THE FAD-PHENOMENON

Steve Barber and Wendy Cowan

What'll it be for you this year? Contracting out? Nope, that was three years ago... or was it the year before? How about privatization? Is that what everybody is doing this year? Nope, that was two years ago... How about downsizing or right-sizing? Nope, the CEO of PetroCanada said that was like trying to "shrink to greatness." This year's fad is *PAY FOR PERFORMANCE!!!* Ah, now we know what to do!

Every year there's a new buzzword. Unhappily, a fad isn't reality. These fads are wrapped in all the froth of anecdotal success stories, presented by well-coifed consultants, tripping over the lips of colleagues, and encountered on the pages of various association magazines with solicitations for quick and dirty workshops.

As a consequence of facilitating issues related to improving productivity and quality we have found ourselves becoming unexpectedly knowledgeable about "pay for performance" and "merit pay". Because this is the latest of the parade of management fads that seem to find their way through America's public sector, we thought it was time to offer some straight talk on the subject.

## The Myths that Satisfy

This menagerie of management methodologies does have a certain attraction, residing as it does in our subconscious understanding of how the universe is "supposed" to work. Things are "supposed" to be predictable, right? Government is "supposed" to be run like a business, right? Management makes decisions and others are "supposed" to carry them out, right? While our elected and ascribed officials find themselves seduced by these simple homilies, a reality check gives lie to these myths. Yet they continue to spawn quick fix solutions captured in buzzwords.

## Where does this stuff come from?

Our practice takes us to many venues in both the public and private sectors, giving us the opportunity to trip over some rather surprising learnings. Perhaps the most sobering of these learnings is that much of the furor generated on behalf of these buzzwords comes from self-serving consultants and brokers who profit from introducing dramatic solutions such as privatization and contracting out.

We are also observing that the private sector is screaming specific solutions at the public sector. The demands are for more services at less cost or for a reduction in onerous and intrusive regulation. Unfortunately, public sector officials don't understand the interests buried in these demands. The medium of the message, as well as the message itself, is interpreted as a threat and condemnation, thereby eliciting a defensive response. The defensive response is taken as a denial or condemnation of the underlying motives assumed to be understood in the message. As a consequence the real message never gets heard by either party.

## Why do these fads emerge?

One reason these buzzword methodologies are attractive is the erroneous belief that human behavior is solely driven by a stimulus-response impulse. Because we never really understood the psychology of Pavlovian behaviorism in the first place, we think that people respond to treats, e.g. pay for performance and merit pay, like dogs and chickens were thought to do.

It appears to us, from our experiences where the rubber meets the road, that what's motivating a belief in these myths is fed by three basic fuels of change. The *first* of these is the combination of global events/economy and the velocity of technological change. The *second* of these fuel sources is the demographic shifts occasioned by the first. The *third* is the awkward and ham-fisted attempts to respond to the first two through

financial and institutional reordering such as property tax initiatives or marketplace analogies applied to public sector services.

Global and economic events drive (e)immigration of people and money around the world as witnessed by the out-migration of California's middle class to places like Arizona, Idaho and Washington following the collapse of the aerospace industry (a peace dividend). The sociological upheaval occasioned by these events has transformed the demands made upon the public sector by an increasingly penurious public. For example, one need but eavesdrop on a school board meeting, teacher's lounge or bus barn tool locker to discover that the service demands placed upon public education which would have seemed wildly out of place as little as ten years ago are a reality today. An identity crisis in public education has resulted: "Are we educators, baby-sitters, social workers, probation officers, public health nurses... or what?"

In order to respond to these and similar demands the public sector is wrestling with how best to transform itself. Yet, rather than allow the public sector entities to pull off of the freeway to change the flat tires, the public expects transformation to be accomplished while driving down the road, all the while yelling "Go faster!"

When the public sector's response is too slow or inept at meeting the public's need for immediate gratification (whether as a consequence of a lack of courage by elected officials to educate [lead] the public or its deliberate, accountability-driven approach to decision making), the public takes matters into its own hands through initiative processes or the election of decision-makers full of anti-government animus. The resultant dismantling of public sector entities as a means of punishment for this lack of responsiveness is well chronicled. The implications for economic and political infrastructure are staggering.

Accordingly, the fad phenomenon seems to emerge as a response to management panic attacks. Seeking to becalm the troubled waters and appear responsive to the snarling and fist-pounding demands of the electorate, advocacy groups, and the platitudinous prescriptions of elected officials, managers grasp at the straws of methodological myths that promise the instantaneous achievement of desired outcomes.

### Legitimacy

We seem to become involved after the 911 call: After elected officials and their eager-to-please managers attempt to unilaterally implement these mythological methodologies in their organizations. The resulting eruption and/or failure to achieve the desired result prompts some decision-makers to question whether there might have been "a better way to have gone about this."

The literature on organizational development/effectiveness is full of stories about the failure of these fads to achieve their stated promises. It would appear that 70 - 80% of the initiatives implementing the likes of TQM, restructuring, downsizing, contracting out, privatizing, and the like stall or fail within 18 months. Because of the damage to the workplace relationship by the unilateral decision the resultant clean-up effort presents an even greater problem to the decision makers than the problems prompting the initiatives in the first place. So what was missing?

The answer is that *those who were expected to implement the decision were not party to making it*. There are common characteristics about decisions that thrive, survive, and actually bring on something resembling that which was sought in the first place. These effective decisions are based upon asking those who are expected to behave within the decision to help make it, and they are based on reason rather than power or coercion.

### This year's fad -

*Pay for performance*

The myth of pay for performance or merit pay, a concept that has been around since the turn of the century is that you can use extrinsic rewards to incent employees to change their behavior to achieve outcomes described by management. This is based upon the direct translation of Pavlov's and Skinner's success with animals. What we really know is that human motivation is in large part intrinsic. The Hawthorne effect, which essentially revealed that you could improve productivity simply by changing the illumination level in the factory, is a notable example that dispels the common beliefs about human motivation being based solely on extrinsic "rewards."

A further fallacy surrounding this myth is that the employer can control behavior through the allocation of fear and discipline in an institutionalized master/servant relationship. Employers seeking to reduce liability and improve outcomes with predictability cling to the mistaken belief that the route to this end is the control of employee behavior.

The fallacy in the pay for performance myth is that there is a connection between the idea of incenting for outcomes and behavioral adjustments by employees, managers, and supervisors. Obsession with controlling behavior supports a hierarchical, fear-driven organization. A better way might be to focus on outcomes. This is an organic concept dependent upon systemic thinking and the development of a learning organization.

### A Better Route...

We urge that you explore the science of human motivation whereupon you will find that human beings in today's workplaces are *not solely motivated* by the promise of **extrinsic rewards**. Alfie Kohn, in his book, The Punishment of Rewards, identifies three central criteria which create what he calls the "conditions for authentic motivation". First, *collaboration*. The employees, managers and supervisors need to be participants in the design and development of their work rather than the mere recipients of directions from another who holds power. Second, *content*.

Employees, managers and supervisors will seek to achieve a "good job" if it offers a chance for them to engage in *meaningful work*, work that makes a difference. Third, *choice*. Kohn restates what seems like common sense to us in a democratic culture, that "we are most likely to become enthusiastic about what we are doing when we are free to make decisions about the way we carry out the task." Yikes! Since when did the word democracy have a place in describing the employment relationship!!

In other words, the science of human behavior would indicate that a competitive approach to motivating human beings through "merit pay" or "pay for performance" is ineffective. What we have found when we facilitate the discovery of good science around human motivation by collaborative employer/employee teams, is that their inquiries about pay for performance or merit pay call into question the entire power-based, fear-driven hierarchical model of organizations. The inquiry launches the negotiation into a penetrating exploration of process, assumptions about power, authority, responsibility and more.

This inquiry can indeed be an entry point for true and fundamental transformation of an organization; yet, it may be perceived as a threat to those in positions of power and their co-dependent subordinates who are responsibility averse as it suggests a dismantling of hierarchy and movement toward democracy in the workplace. So, unless you are prepared to accompany Alice into Wonderland, you should think twice about leaping after this white rabbit called "pay for performance."

*Suggested reading on this topic:*

The End of Bureaucracy and the Rise of the Intelligent Organization by Gifford and Libby Pinchot

The Fifth Discipline by Peter Senge



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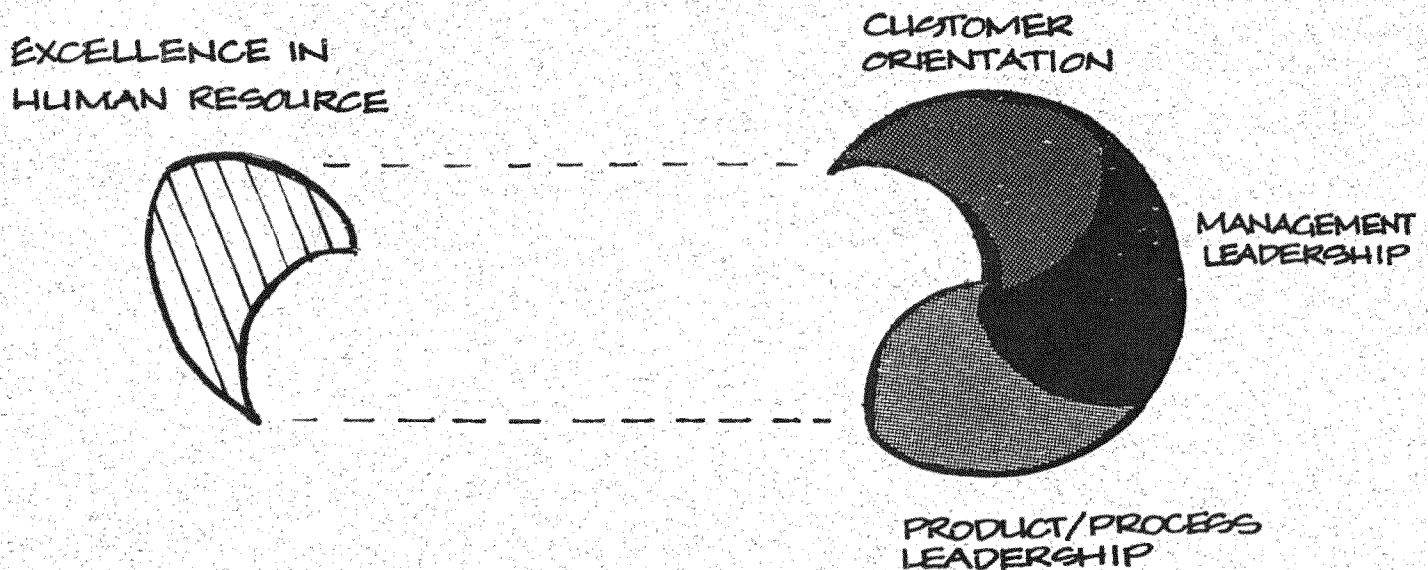
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**THE MISSING LINK IN MOST QUALITY INITIATIVES IS LEGITIMACY-  
THE OWNERSHIP OF THE IDEA BY EMPLOYEES AND MID-MANAGERS.**



"...my mail has been telling me, 60 to 80% of all the quality initiatives have failed or stalled. I think that I know why..."

Steve Barber, BARBER & GONZALES,  
Journal of Quality and Participation, 1994

Customer orientation, human resource excellence, product/process leadership, and management leadership-the four corners of TQM. These are universal imperatives for organizations of all types to prosper in the emerging economy.

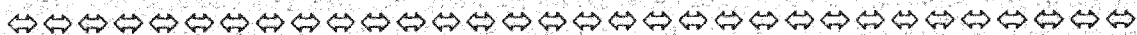
adapted from a speech by Jack West, President, ASQC

" Customer satisfacton begins with employee satisfaction."

Fred Smith, Chairman, FEDERAL EXPRESS

The **BARBER & GONZALES CONSULTING GROUP** provides its clients with the tools and techniques that have been proven to work. We do this by improving organizational effectiveness through an "interest approach" to communications and problem solving in employer-employee relations. The **BARBER & GONZALES CONSULTING GROUP** provides this service through:

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*"Ray has been the most neutral and effective member of the PERB; his honesty and integrity are unsurpassed." ...a State senator, author of the legislation creating the Public Employment Relations Board*

*"Since Steve Barber introduced us to an interest approach to communications, we have saved \$1,000,000 in a two year period by resolving disputes ourselves." ...a school district associate superintendent and a union business agent*

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*"Thanks for providing a very important, critical process for our district." ...a school teacher*

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*"Great job! I appreciate the openness and eagerness to improve relationships in our district." a school board member*

*"Fascinating, inspirational facilitator. Talented in presenting factual information with humor and wisdom." ...a corporate CEO*

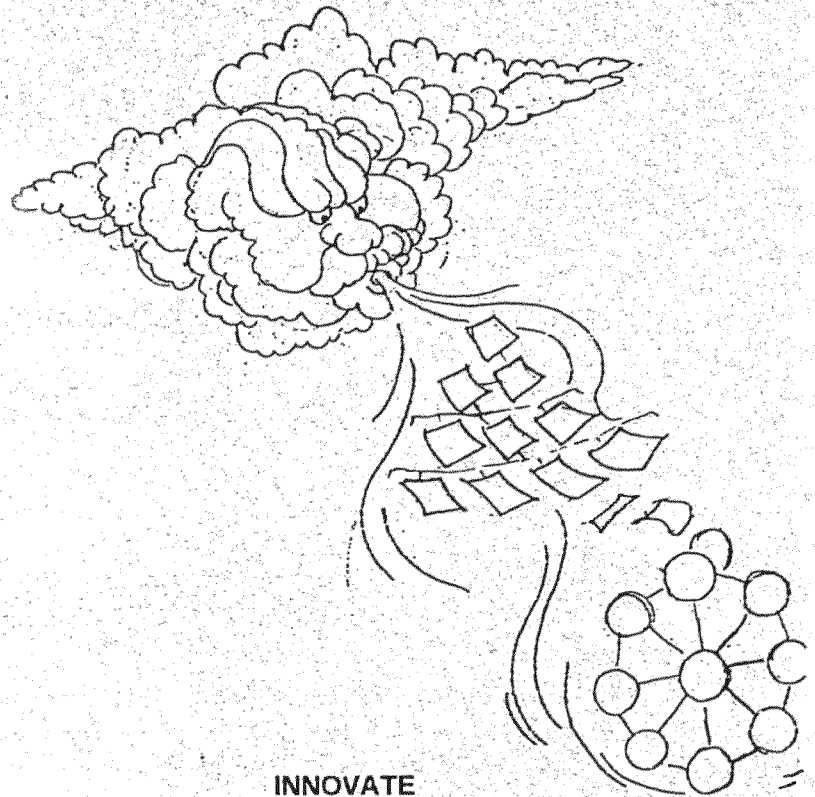
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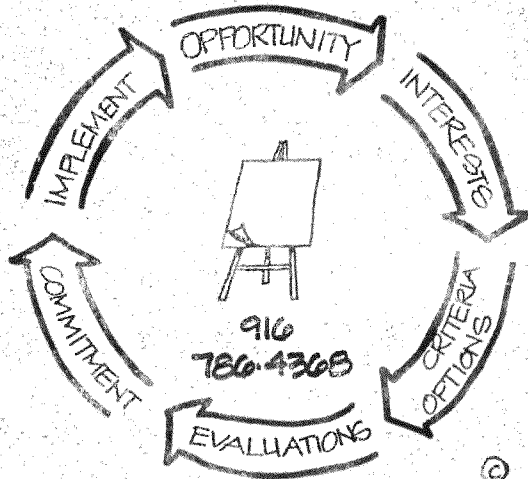
ONE APPROACH TO SURVIVING AND THRIVING IN THE FUTURE IS TO



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Change will happen with or without our participation.

It is applicable in our own places of work and in our own specialization or profession as surely as it is in the "other guy's."

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We do this by improving organizational effectiveness through the application of an "interest approach" to communications and problem solving in employer-employee relations. In addition, we work with any relationship where two or more interests must be reconciled to one another in order to move things forward.

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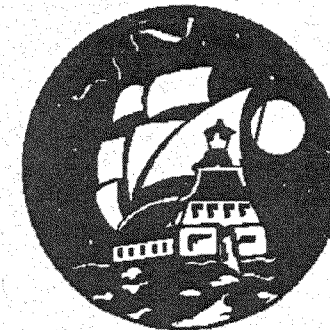
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**NAVIGATING THE EMERGING  
ECONOMY**



## AN INTEREST APPROACH

### What is it

An **interest approach** to communication, negotiation and problem-solving is a non-adversarial means of achieving decisions or just being understood in a discussion or dialogue. It consists of a collection of principles and techniques familiar to anyone. These principles include such concepts as focusing on issues not personalities, making decisions based on an objective reason rather than power or coercion, accepting all motives or interests as givens rather than evaluating those interests as right or wrong.

An **interest approach** recognizes human beings as "human" and "in relationship" with each other. Because of this the human element in any situation must be taken into account and focused on as much as the substantive if one is to achieve a good and lasting situation rather than a "win." Outside of playing games, a "win" often guarantees the winner that an enemy has just been created who will do everything possible to insure a "lose" next time, as in the late Jesse Unruh's advice, "Don't get mad, get even."

### Who uses this approach?

Although to work well and serve as a tool for developing organizational effectiveness in the face of the ubiquity of change, the **interest approach** is most successful when introduced jointly to the parties committed to using it. The interest approach is introduced through a facilitated training and practice.

The **interest approach** is being introduced and used in labor relations, public policy decision-making, alternative dispute resolution, international relations, economic development, counseling, planning, business, government, and more. Professionals in these fields are discovering that traditional approaches are no longer effective in the face of multi-variate change.

### Is it effective?

An **interest approach** is at once analytic and creative enabling people to turn loose both of those strengths that define us as human. In public school labor relations, the filing of formal complaints has been dramatically reduced by 70% in the labor-management relationships introduced to it. Peaceful outcomes have been effected in international relations visible today in South Africa and the Middle East.

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# Quality and Participation

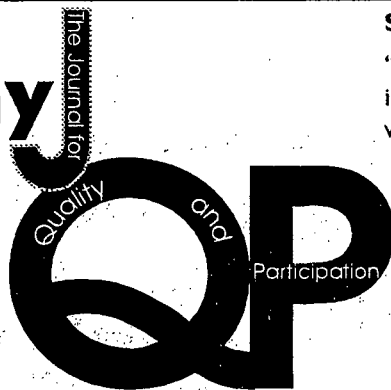
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**All we need is another acronym, right? Not! But, then again, if it really did the job...OK.**

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1950s	1960s	1970s	1980s
HST (Harry S. Truman)	MG (The car, not the Green Onions group)	RMN (President Nixon)	QWL (Quality of worklife)
AEN (Alfred E. Neuman)	JFK (President Kennedy)	TW3 (David Frost, Candice Bergen show)	JIT (Just-in-time)
MAD (the magazine or mutually assured destruction)	RFK (his brother Bobby)	DISCO (You do too remember)	LBO (Leveraged buy out)
DDE (I like Ike)	MLK (Martin Luther King Jr.)	FYI (BYOB talk)	TQM (Total quality management)
DDT (no red ants or birds)	KKK (Do you want the burning cross in your yard or your face?)	MBO (The deluge begins)	TQEI (Total quality employee involvement)
MFP (a toothpaste additive)	SCLC (No more Mr. KKK)	ZBT (Zero based budgeting)	CQI (Continuous quality improvement)
ROR (Rate of Return)	SNIC (In your face KKK)	QCC (Quality control circles)	SMTs (Self-managing teams)
VW (the beetle, remember?)	LBJ (President Johnson)	QC (US quality circles)	AQP (Another hint)
MM (Marilyn or Mickey Mouse)	LSD (Lucy in Sky like Diamonds?)	TQC (Total quality control)	MBNQA (the Baldrige Award)
M&M (candy or Mantle and Maris)	TCB (taking care of business)	CWQC (Company wide quality control)	
MGM (the movie studio)	EAP (The King, Elvis comes back)	<b>JQP</b> → Hunt, hunt, hunt, hunt, hunt, hunt, hunt!	

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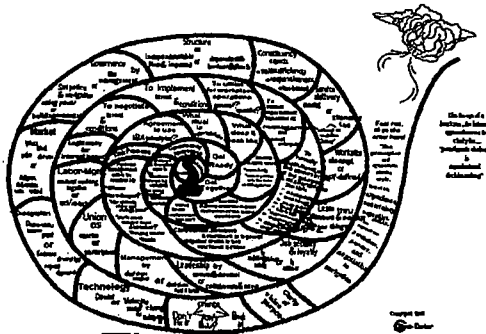
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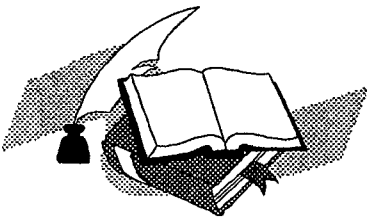
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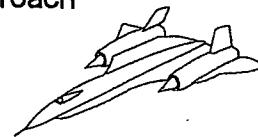


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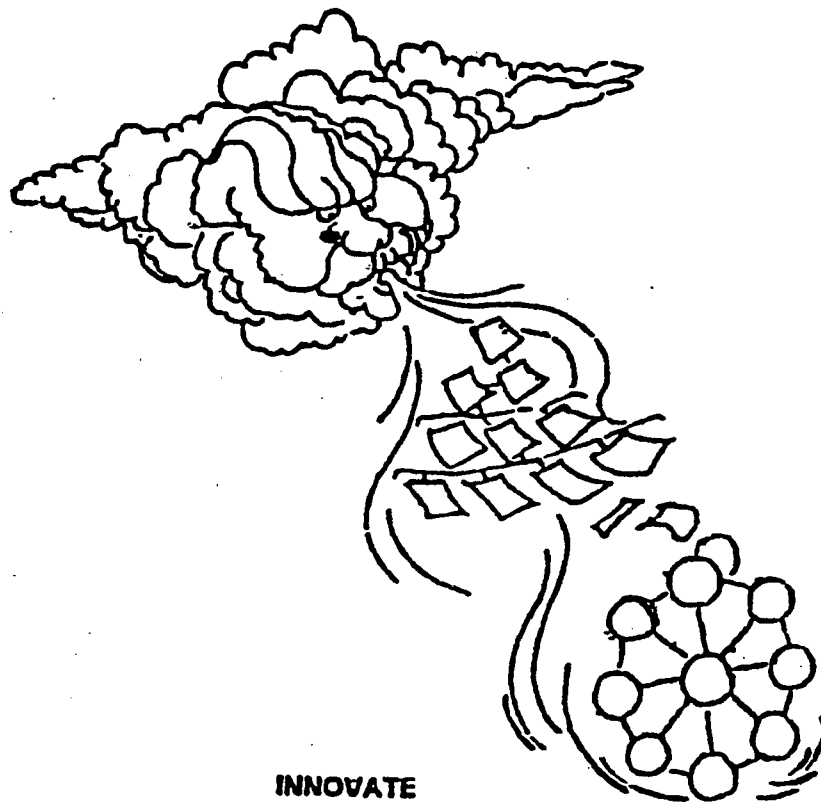


**Bookmarks & Links to  
organizations, associations  
and parties related to IBA**

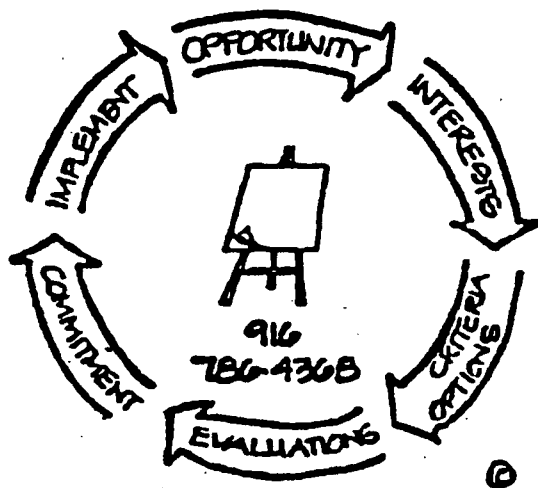
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**MULTNOMAH COUNTY  
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## **Jan. 11 & 13, 2011 BOARD MEETINGS HIGHLIGHTS**

Tues. @ 10 am - Board Briefing on an Interest Based Approach to Decision Making, Leadership and Conflict Navigation.

Thurs. @ 9:30 am - Opportunity for Public Comment on Non-Agenda Matters

Thur. @ 9:30 am - Briefing on Multnomah County Library's 2011 "Everybody Reads" Community Reading Project

Thur. @ 9:40 am - BUDGET MODIFICATION # Request to Appropriate \$60,000 in Funding from the City of Portland for the Service Coordination Team

Thur. @ 9:45 am - NOTICE OF INTENT to Submit an Application for up to \$500,000 to the US Department of Health and Human Services, Bureau of Health Professionals Division of Nursing's *Affordable Care Act* - *Nurse Education, Practice, Quality and Retention* Grant Competition.

Thur. @ 9:50 am - FY 2011 Supplemental Budget, Adding Beginning Working Capital and Increasing Six County Funds by \$7,808,385.

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## **BOARD OF COMMISSIONERS**

**Tuesday, January 11, 2011 - 10:00 am**  
Multnomah Building, Commissioners Board Room 100

### **BOARD BRIEFINGS**

**10:00 am – 11:00 am – NON-DEPARTMENTAL**

B-1 Board Briefing on an Interest Based Approach to Decision Making, Leadership and Conflict Navigation. Presenter: Steve Barber, Barber & Gonzales Consulting



## **BOARD OF COMMISSIONERS**

**Thursday, January 13, 2011 - 9:30 am**  
Multnomah Building, Commissioners Board Room 100

### **REGULAR MEETING**

#### **CONSENT CALENDAR - 9:30 am**

- C-1 BUDGET MODIFICATION - HD-08 Authorizing Three Position Re-classifications Within Various Divisions of the Health Dept. as Determined by the Class/Comp Unit of Central Human Resources
- C-2 Appointment of Patricia Hanson to the Multnomah County CITIZEN INVOLVEMENT COMMITTEE (CIC)

#### **REGULAR AGENDA**

##### **PUBLIC COMMENT - 9:30 am**

Opportunity for Public Comment on non-agenda matters. Testimony limited to three minutes per person unless otherwise designated by the presiding officer. This is a time for the Board to hear public testimony, not for Board deliberation. Fill out a yellow speaker form available at the back of the Boardroom and give it to the Board Clerk. Unless otherwise recognized by the presiding officer, testimony is taken in the order the forms are submitted.

#### **NON-DEPARTMENTAL - 9:30 am**

- R-1 Briefing on Multnomah County Library's 2011 "Everybody Reads" Community Reading Project. Presenter: Vailey Oehlke, Library Director (10 min)

#### **DISTRICT ATTORNEY – 9:40 am**

- R-2 BUDGET MODIFICATION # Request to Appropriate \$60,000 in Funding from the City of Portland for the Service Coordination Team. Presenter: Scott Marcy, Business Services Mgr., DA's Office (5 min)

#### **HEALTH DEPARTMENT – 9:45 am**

- R-3 NOTICE OF INTENT to Submit an Application for up to \$500,000 to the US Department of Health and Human Services, Bureau of Health Professionals Division of Nursing's *Affordable Care Act – Nurse Education, Practice, Quality and Retention* Grant Competition. Presenters: Nicole Hermanns, Grant Development and Frances Conedera, Nursing Director – Health Dept. (5 min)

#### **COUNTY MANAGEMENT – 9:50 am**

- R-4 FY 2011 Supplemental Budget, Adding Beginning Working Capital and Increasing Six County Funds by \$7,808,385. Presenter: Julie Neburka (10 min)

#### **BOARD COMMENT – 10:00 am**

#### **ADJOURNMENT**





**MULTNOMAH COUNTY  
AGENDA PLACEMENT REQUEST  
BUDGET MODIFICATION**

(revised 12/31/09)

**APPROVED: MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS**

**AGENDA #** C-1 **DATE** 1/13/11  
**MARINA BAKER, ASST BOARD CLERK**

**Board Clerk Use Only**

**Meeting Date:** 1/13/11  
**Agenda Item #:** C-1  
**Est. Start Time:** 9:30 am

**BUDGET MODIFICATION: HD-11-08**

**BUDGET MODIFICATION - HD-08 authorizing three position re-  
Agenda classifications within various Divisions of the Health Department as determined  
Title: by the Class/Comp Unit of Central Human Resources.**

*Note: For all other submissions (i.e. Notices of Intent, Ordinances, Resolutions, Orders or Proclamations) please use the APR short form.*

**Requested**  
**Meeting Date:** January 13, 2011 **Amount of**  
**Time Needed:** N/A - Consent  
**Department:** Health Department **Division:** Multiple  
**Contact(s):** Lester A. Walker - Budget & Finance Manager  
**Phone:** (503) 988-3663 **Ext.** 26457 **I/O Address:** 167/2/210  
**Presenter(s):** N/A (Consent Agenda)

**General Information**

**1. What action are you requesting from the Board?**

Approval of staffing adjustment resulting from the re-classification of three positions. This change will not impact the Health Department's total FTE for FY2011.

**2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.**

Reclassify a 0.80 Nurse Practitioner to a 0.80 Physician, position 710904, in the Integrated Clinical Services Division of the Health Department. Class Comp approved reclassification effective on 8/27/2010 (reclass #1595). The purpose of this position is to provide professional, comprehensive primary medical care and treatment services to the community. This change impacts program offers 40022 - Mid County Health Clinic.

Reclassify a 1.0 Program Manager 1 to a 1.0 Manager 2, position 709280, in the Community Health

Services Division of the Health Department. Class Comp approved reclassification effective on 10/01/2010 (reclass #1603). This position manages the Community Wellness and Prevention Program, which serves to slow and reduce rates of chronic diseases including heart disease, cancer, diabetes, and stroke through policy, environment, and systems change strategies. This change impacts program offers 40047 – Community Wellness and Prevention.

Reclassify a 1.0 Quality Manager to a 1.0 Program Manager 1, position 703170, in the Integrated Clinical Services Division of the Health Department. Class Comp approved reclassification effective on 11/01/2010 (reclass #1616). This position will lead special projects in support of operational and strategic goals of ICS Health Centers and Programs, conduct research, analyses and create recommendations. This change impacts program offers 40034 – Quality Assurance.

**3. Explain the fiscal impact (current year and ongoing).**

There is no financial impact for FY11.

**4. Explain any legal and/or policy issues involved.**

N/A

**5. Explain any citizen and/or other government participation that has or will take place.**

N/A

---

## ATTACHMENT A

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### Budget Modification

---

If the request is a **Budget Modification**, please answer all of the following in detail:

- What revenue is being changed and why? If the revenue is from a federal source, please list the Catalog of Federal Assistance Number (CFDA).

No change in revenues.

- What budgets are increased/decreased?

The Health Department's budget will have the following changes:

- Permanent personnel budget will increase by \$14,920.
- Salary related expense budget will increase by \$4,479.
- Insurance benefits budget will increase by \$1,230.
- Supplies budget will decrease by \$20,629.

These changes will have no financial impact on the budget and do not change the Health Department's total FTE.

- What do the changes accomplish?

Change of classification of positions 710904, 709280, and 703170 to better fit the duties of those positions as determined by the Class/Comp Unit of the Central Human Resources.

- Do any personnel actions result from this budget modification? Explain.

1. Reclassify a 0.80 Nurse Practitioner to a 0.80 Physician, position 710904, in the Integrated Clinical Services Division of the Health Department.
2. Reclassify a 1.0 Program Manager 1 to a 1.0 Manager 2, position 709280, in the Community Health Services Division of the Health Department.
3. Reclassify a 1.0 Quality Manager to a 1.0 Program Manager 1, position 703170, in the Integrated Clinical Services Division of the Health Department.

- If a grant, is 100% of the central and department indirect recovered? If not, please explain why.

N/A

- Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?

N/A

- If a grant, what period does the grant cover? When the grant expires, what are funding plans? Are there any particular stipulations required by the grant (i.e. cash match, in kind match, reporting requirements etc)?

N/A

---

## ATTACHMENT B

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**BUDGET MODIFICATION: HD-11-08**

---

### Required Signatures

---

**Elected Official or  
Department/  
Agency Director:**

*Lillian Shurley*

**Date:** 12-15-10

*[Signature]*

**Date:** 12/16/10

**Budget Analyst:**

**Date:** \_\_\_\_\_

**Department HR:**

*Kathleen Miller*

**Date:** 12/14/2010

**Countywide HR:**

**Date:** \_\_\_\_\_

Budget Modification ID: **HD-11-08****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2010

Line No.	Fund Center	Fund Code	Program #	Func. Area	Internal Order	Accounting Unit		Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
						Cost Center	WBS Element						
1	40-70	26030	40022	30			47550-00-26030	60000	2,984,428	2,985,723	1,295		Increase Permanent
2	40-70	26030	40022	30			47550-00-26030	60130	946,946	947,188	242		Increase Salary Related Expns
3	40-70	26030	40022	30			47550-00-26030	60140	1,060,180	1,058,643	(1,537)		Decrease Insurance
4													
5	40-70	26020	40022	30			47550-00-26020	60000	763,305	773,992	10,687		Increase Permanent
6	40-70	26020	40022	30			47550-00-26020	60130	235,466	238,821	3,355		Increase Salary Related Expns
7	40-70	26020	40022	30			47550-00-26020	60140	151,101	153,626	2,525		Increase Insurance
8	40-70	26020	40022	30			47550-00-26020	60240	36,663	20,096	(16,567)		Decrease Supplies
9													
10	40-30	1000	40047	30		401661		60000	221,159	222,628	1,469		Increase Permanent
11	40-30	1000	40047	30		401661		60130	69,636	70,077	441		Increase Salary Related Expns
12	40-30	1000	40047	30		401661		60140	67,493	67,614	121		Increase Insurance
13	40-30	1000	40047	30		401661		60240	9,368	7,337	(2,031)		Decrease Supplies
14													
15	40-30	32400	40047	30			4FA61-01-1	60000	716,680	718,149	1,469		Increase Permanent
16	40-30	32400	40047	30			4FA61-01-1	60130	229,394	229,835	441		Increase Salary Related Expns
17	40-30	32400	40047	30			4FA61-01-1	60140	223,718	223,839	121		Increase Insurance
18	40-30	32400	40047	30			4FA61-01-1	60240	33,529	31,498	(2,031)		Decrease Supplies
19													
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# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST (revised 09/22/08)

APPROVED: MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS

AGENDA # C-2 DATE 1/13/11  
MARINA BAKER, ASST BOARD CLERK

## Board Clerk Use Only

Meeting Date: 1/13/11  
Agenda Item #: C-2  
Est. Start Time: 9:30 am

**Agenda Title:** Appointment of Patricia Hanson to the Multnomah County CITIZEN INVOLVEMENT COMMITTEE (CIC)

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.*

Requested Meeting Date:	<u>January 13th</u>	Amount of Time Needed:	<u></u>
Department:	<u>Non Departmental</u>	Division:	<u>CIC</u>
Contact(s):	<u>Kathleen Todd</u>		
Phone:	<u>503-988-3450</u>	Ext.	<u>22438</u>
Presenter(s):	<u>N/A</u>	I/O Address:	<u>503/6/CIC</u>

## General Information

### 1. What action are you requesting from the Board?

Appointment of one (1) new member to the Citizen Involvement Committee.

### 2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Nominees are passed forward by the Citizen Involvement Committee and appointed to 3-year terms by the Board of County Commissioners. Citizen Involvement Committee members have a 2-term limit. The current nominee will fill a position vacated due to term limits. This candidate has met the appointment criteria set forth by the CIC for membership on the Committee. These include geographic distribution, a letter of recommendation, interviews with current committee members and staff, and participation at CIC discussions, events and meetings.

### 3. Explain the fiscal impact (current year and ongoing).

None

**4. Explain any legal and/or policy issues involved.**

This nomination process is consistent with the charter provisions establishing the CIC.

**5. Explain any citizen and/or other government participation that has or will take place.**

Acting as an independent, advocate, evaluator and monitor of county citizen involvement, the CIC and its office work to enhance opportunities for citizen participation in policy and decision-making within Multnomah County, thereby increasing the openness of county government.

The Office of Citizen Involvement staff actively recruits new members of the CIC to fill vacancies with press releases, outreach to East County cities, Sauvie Island/Corbett Springdale residents, community groups, through social technology such as facebook, blogs, list-serves as well as word of mouth and various meetings and events. Application materials and recruitment announcements are placed on the County Website. Current members of the CIC recommend this nominee to the Board of County Commissioners for appointment.

---

**Required Signature**

---

**Elected Official or  
Department/  
Agency Director:**



**Date:** 1/3/11



Office of Citizen Involvement

**MULTNOMAH COUNTY OREGON**

501 SE Hawthorne, Room 192  
Portland, Oregon 97214  
(503) 988-3450 phone  
(503) 988-5674 fax  
[www.citizenweb.org](http://www.citizenweb.org)

January 3, 2011

MEMORANDUM

TO: Chair Jeff Cogen

FROM: Kathleen Todd  
Office of Citizen Involvement

RE: Appointments to the Citizen Involvement Committee

The following Multnomah County citizen is recommended for appointment to the Citizen Involvement Committee (CIC): Patricia Hanson. If appointed, this new member would serve a three year term, effective through January of 2014.

We are pleased with the range of geographical, personal and occupational experience that Pat brings to the CIC. She has been active in the community and is eager to serve on the CIC. Pat has successfully met the appointment criteria used by the CIC for membership on the Committee which includes discussion with committee members and staff. She has also participated at CIC meetings. The prospective appointee's interest form is attached.

cc: file



Office of  
**Citizen**  
Involvement

Multnomah County Citizen Involvement  
Committee  
Interest Form

Name: *Patricia Hanson : Mrs. R.K. (Pat) Hanson*

Phone: (home & office)  
*503-667-8096*

Address: *3210 NE 29th, Gresham, OR* zip: *97030*

Employer:

Occupation:

E-Mail:  
(Please print clearly)

Are you a resident of Multnomah County?

☒ YES

☐ NO

When are you able to meet?

Daytime ☒

Evening ☒

Please list any past or current Community Involvement including  
Volunteer/Committee/Board experience:

*Vol. at Legacy Mt. Hood Hospital  
Managed Gift Shop 90-91-92*

*Vol Mt. Hood Community Col.  
Ran thrift store for  
many years.*

*Do random jobs thru my  
Church in Gresham - East Hill Family*

Please list name, address, and telephone number of two references:

Phil Dean 503-334-5659 CELL  
3330 N.E. 138 Place  
Cathy Hays 503-954-1601  
10436 S.E. Clay apt 503  
Portland 97230

Please state any potential conflicts of interest you may have relative to any County department.

none

Signature:

Patricia Hanson

Date: 12-9-2010

Optional:

Age: 82 Gender: M (F)  
Ethnic Origin: African-American \_\_\_\_  
Native-American \_\_\_\_  
Hispanic \_\_\_\_  
Asian \_\_\_\_  
Caucasian X  
Other \_\_\_\_

Please return to: Office of Citizen Involvement  
501 SE Hawthorne, Room 192  
Portland, OR 97214  
Phone 503-988-3450 Fax 503-988-5674  
Email: williar@co.multnomah.or.us



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(revised 12/31/09)

## Board Clerk Use Only

Meeting Date: 1/13/11  
Agenda Item #: R-1  
Est. Start Time: 9:30 am

**Agenda Title:** **Briefing on Multnomah County Library's 2011 "Everybody Reads" Community Reading Project.**

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.*

Requested Meeting Date: January 13, 2011 Amount of Time Needed: 10 mins  
Department: NonDepartmental Division: Comm McKeel, District 4  
Contact(s): Corie Wiren  
Phone: 503-988-5213 Ext. 26234 I/O Address: 503/6

Presenter(s): Vailey Oehlke, Library Director

## General Information

### 1. What action are you requesting from the Board?

No action is necessary; this is a briefing about the Everybody Reads project of the Multnomah County Library.

### 2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The ninth annual Everybody Reads project has begun, with this year's selection *The Other Wes Moore*, by Wes Moore. Through the support of the Library Foundation and the Regional Arts & Culture Council, more than 2,000 students in Multnomah County will receive copies of the book and have the opportunity to hear the author speak.

*The Other Wes Moore* is the story of two boys with similar backgrounds but very different destinies. It is a powerful story of hope, the influence of family and community, opportunity and the cultural and societal barriers to success. This story transcends race and will resonate with anyone who is, or has ever been, at a crossroads.

"Everybody Reads" is a project designed to promote community reading and encourage people to talk to each other about issues that matter and create a stronger community through the power of books. This year's selection can be checked out, downloaded, or accessed as an audiobook. See your library or visit the website ([multcolib.org](http://multcolib.org)) for more information.

**3. Explain the fiscal impact (current year and ongoing).**

None.

**4. Explain any legal and/or policy issues involved.**

None.

**5. Explain any citizen and/or other government participation that has or will take place.**

None. Briefing is intended to prompt increased conversation with citizens and government representatives about this and other selections available through the library.

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**Required Signature**

---

Elected Official or  
Department/  
Agency Director:



Date: 1/4/11

# EVERYBODY READS 2011

A community reading project of Multnomah County Library

**What if everybody  
read the same book?**

**We'd talk to each other about  
issues that matter, and we'd  
celebrate the power of books in  
creating a stronger community.**

**Join us for the ninth annual  
Everybody Reads project.**

Made possible in part by

THE  
**Library**  
FOUNDATION



**Regional Arts &  
Culture Council**



MULTNOMAH COUNTY  
**LIBRARY**

**LITERARY ARTS**

## The Other Wes Moore

by Wes Moore

Photo © Jupiter Images

Photo © Jennifer Tschopp



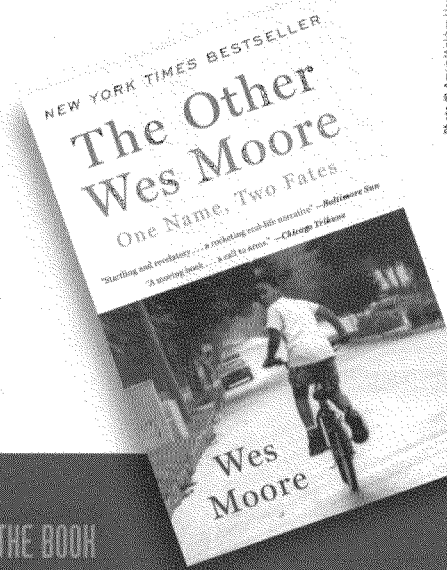
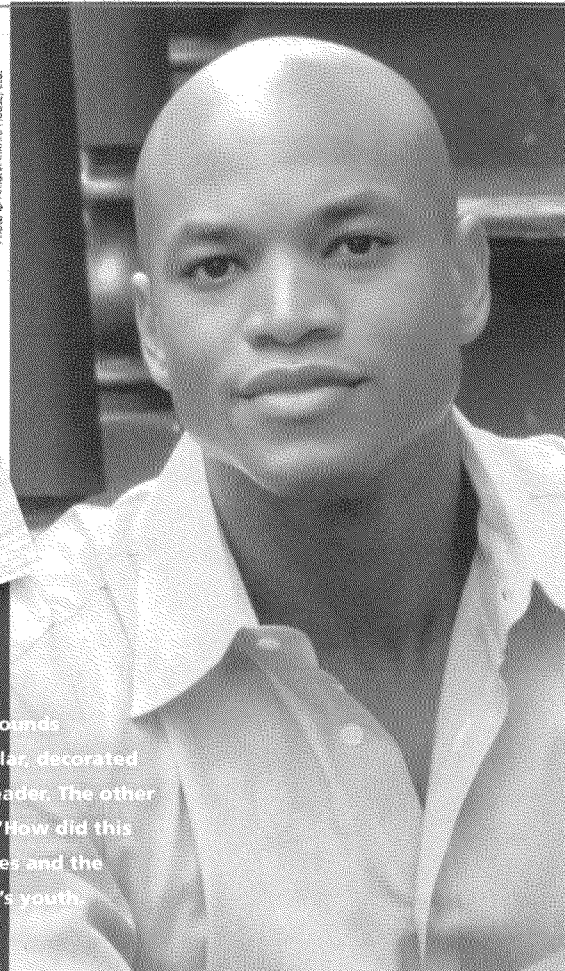


Photo © Anupamkha House, Ltd.



## A MESSAGE FROM THE AUTHOR

It's an incredible honor to participate in Multnomah County Library's Everybody Reads 2011 program. *The Other Wes Moore* is the story of two boys named Wes Moore who shared a number of biographical details: They were born at roughly the same time in roughly the same place; they both had only fleeting contact with their fathers and were raised by their mothers; they both struggled through school for disciplinary and academic reasons; and they were both always looking for a better life, which always seemed tantalizingly out of reach. One of those boys was me. The other Wes Moore is serving a life sentence in prison for the murder of a police officer, the tragedy that in many ways sparked the writing of the book. When I first stumbled onto this heartbreaking story, I was seized with urgent questions: what makes one life different from another? How do our fates diverge? And how do we prevent these tragedies from repeating themselves over and over again in our communities? Ultimately, my hope for the book was that it would provoke conversations about the most universal issues, about choice and accountability, not just for each of us as individuals but for all of us as a society. I eagerly look forward to joining that conversation with you during this program.

Elevate,  
**Wes Moore**, October 2010

## ABOUT THE BOOK

Two kids with the same name and similar backgrounds lived in Baltimore. One grew up to be a Rhodes scholar, decorated combat veteran, White House Fellow and business leader. The other is serving a life sentence in prison. The author asks "How did this happen?" and explores the impact of personal choices and the influences of environment and community on today's youth.

## ABOUT WES MOORE

Wes Moore is a youth advocate, Army combat veteran, business leader and author.

Wes graduated Phi Theta Kappa as a commissioned officer from Valley Forge Military College in 1998 and Phi Beta Kappa from Johns Hopkins University in 2001 with a bachelor's degree in International Relations. At Johns Hopkins, he was honored by the Maryland College Football Hall of Fame. He completed a Master of Letters in International Relations from Oxford University as a Rhodes Scholar in 2004. Wes was a paratrooper and captain in the United States Army, serving a combat tour of duty in Afghanistan in 2005–

2006. A White House Fellow from 2006–2007, Wes served as a special assistant to Secretary of State Condoleezza Rice. Following his time at the White House, Wes became an investment professional in New York at Citigroup, focusing on global technology and alternative investments. In 2009, he was selected as an Asia Society Fellow. Moore was named one of *Ebony* magazine's "Top 30 Leaders Under 30" for 2007 and *Crain's New York Business*' "40 Under 40 Rising Stars" in 2009.

Wes is passionate about supporting U.S. veterans and examining the roles education, mentoring and public service play in the lives

of American youth. He serves on the board of the Iraq Afghanistan Veterans of America (IAVA) and founded an organization called STAND! through Johns Hopkins University that works with Baltimore youth involved in the criminal justice system. Wes was a featured speaker at the 2008 Democratic National Convention in Denver and addressed the crowd from INVESCO Field. He has also spoken at the National Foundation for Teaching Entrepreneurship Business Plan Competition, Southern Regional Conference of the National Society of Educators, the education reform session of the

third annual Race & Reconciliation in America conference, and the first 9/11 National Day of Service and Remembrance.

Seeking to help other young people to redirect their lives, Wes is committed to being a positive influence and helping kids find the support they need to enact change. Pointing out that a high school student drops out every nine seconds, Wes says that public servants — the teachers, mentors and volunteers who work with our youth — are as imperative to our national standing and survival as are our armed forces.

Moore lives with his wife Dawn in New Jersey.

## Read.

Borrow a copy of the book from any Multnomah County Library. When you are finished, please return it or pass it on to a friend, coworker or neighbor so that others may participate.

## Discuss.

Share your thoughts at a book discussion at your neighborhood library, local bookstore or elsewhere in the community.

## Be inspired.

Hear from author Wes Moore on Monday, March 7, 2011, at 7:30 p.m. at the Arlene Schnitzer Concert Hall.

## Do.

Find out what you can do to make a difference in your own life or in the life of a young person. Consult the Everybody Reads website for a list of resources and community organizations that can help.

Visit the website.

For the latest Everybody Reads information, events and resources, visit [www.multlib.org/reads](http://www.multlib.org/reads).

Literary Arts and Multnomah County Library  
present

## AN EVENING WITH WES MOORE

One Name, Two Fates:  
A Moving & Inspiring True Story  
of Our Times

Monday, March 7, 2011 • 7:30 p.m.  
at The Arlene Schnitzer Concert Hall

Tickets and event information  
can be found at [Literary-Arts.org](http://Literary-Arts.org).

## EVENTS

Admission to all events is free unless otherwise noted. Library addresses are listed on the back of this guide. All addresses are in Portland, unless otherwise noted.

### Book Discussion Groups



#### Library Book Groups

Monthly Pageturners groups are sponsored by the Friends of the Library. (See "Library Locations" for addresses.)

Thu., Feb. 3, 1:30–2:30 p.m.  
Capitol Hill  
Thu., Feb. 3, 2–3 p.m.  
Gresham  
Thu., Feb. 3, 2:30–4 p.m.  
Central  
Tue., Feb. 8, 6:30–7:45 p.m.  
Hillsdale  
Tue., Feb. 8, 6:45–7:45 p.m.  
Capitol Hill  
Thu., Feb. 8, 6:30–8 p.m.  
Northwest  
Tue., Feb. 8, 6:45–8 p.m.  
Midland  
Wed., Feb. 9, 6:30–7:45 p.m.  
St. Johns  
Wed., Feb. 9, 7:15–8:15 p.m.  
Albina  
Wed., Feb. 9, 6:30–7:45 p.m.  
Belmont  
Sun., Feb. 13, 2–3 p.m.  
Hollywood  
Mon., Feb. 14, 1–2:15 p.m.  
St. Johns  
Tue., Feb. 15, 6:30–7:45 p.m.  
Hollywood

Tue., Feb. 15, 6:30–7:45 p.m.  
Kenton  
Tue., Feb. 15, 6:30–7:45 p.m.  
North Portland  
Tue., Feb. 15, 6:30–7:30 p.m.  
Sellwood-Moreland  
Wed., Feb. 16, 6:30–7:45 p.m.  
Troutdale  
Wed., Feb. 16, 6:30–7:45 p.m.  
Woodstock  
Wed., Feb. 16, 6:30–7:45 p.m.  
Gregory Heights  
Wed., Feb. 16, 1–2:15 p.m.  
Midland  
Thu., Feb. 17, 1–2:15 p.m.  
Hillsdale  
Fri., Feb. 18, 10–11 a.m.  
Rockwood  
Sat., Feb. 19, 10:30–11:45 a.m.  
Holgate  
Tue., Feb. 22, 6:30–7:45 p.m.  
Fairview-Columbia  
Tue., Feb. 22, 6:30–8 p.m.  
Northwest

#### Barnes & Noble Book Groups

(For teens and adults; refreshments will be served.)

Wed., Feb. 9, 11 a.m.  
Barnes & Noble  
Washington Square Too  
10206 S.W. Washington Square  
Road, Tigard  
Wed., Feb. 16, 7:30 p.m.  
Barnes & Noble  
Tanasbourne Town Center  
18300 N.W. Evergreen Pkwy.,  
Beaverton  
Thu., Feb. 17 at 7 p.m.  
Barnes & Noble, Jantzen Beach  
1720 N. Jantzen Beach Center,  
Portland  
Tue., Feb. 22, 6:30 p.m.  
Barnes & Noble, Lloyd Center  
1317 Lloyd Center, Portland  
Thu., Feb. 24, 7 p.m.  
Barnes & Noble  
Clackamas Town Center  
12000 S.E. 82nd Avenue, Portland

#### Looking at *The Other Wes Moore*

Thu., Feb. 10, 7–8:30 p.m. • Portland State University, Smith Memorial Union (SMU), Room 236  
Scholars Dalton Miller Jones, Michael Smith and Martha Balshem will discuss the issues raised in *The Other Wes Moore* within the psychological, sociological and educational disciplines.

#### Portland's Wes Moores

Tue., Feb. 15, 6–7:30 p.m. • Central Library  
Scholars Eric Mankowski, José Padin and Ethan Johnson will discuss the issues raised by *The Other Wes Moore* from a local perspective.

#### *The Other Wes Moore*: Options and Opportunities for the Future

Tue., Feb. 22, 6–7:30 p.m. • North Portland Library  
Panel discussion with educators Julie Esparza Brown and Deborah Peterson and members of the Multnomah County Health Department's Communities Putting Prevention to Work grant team.

#### "Others, Ourselves: An Exploration of Privilege, Positionality and Education"

Wed., Feb. 23, 6–7:30 p.m. • Central Library  
Lecture by Samuel Henry, associate professor in the Graduate School of Education at Portland State University and a founding executive director of Portland Educational Network.

Photo © Herrera Technologies



1. Both Wes Moores grew up without fathers. How might have their lives been different had their fathers been present in their lives? Do you agree that their experiences were different because one father was not there because he couldn't be and the other because he chose not to be? Why or why not?
2. The author Wes Moore says, "I guess it's hard sometimes to distinguish between second chances and last chances." What do you think he means by this?
3. The incarcerated Wes Moore says that instead of products of our environments, maybe we are "products of our expectations" and possibly those of others. What do you think he means by this? Do you agree? Why or why not?
4. *The Other Wes Moore* has been criticized for sensationalizing the crime and reopening old wounds. Others have praised it for encouraging discussion about important issues of race and equality. What do you think?
5. The author Wes Moore encourages us to "elevate" not only ourselves, but those around us. What do you think he means by this? Are there barriers to raising up ourselves and others? What are they and how might they be confronted?

## Library Locations (all addresses in Portland unless otherwise noted)

Albina Library — 3605 N.E. 15th Ave.	Hollywood Library — 4040 N.E. Tillamook St.	Troutdale — 2451 S.W. Cherry Park Rd. Troutdale
Belmont Library — 1038 S.E. César E. Chávez Blvd. (39th Ave.)	Midland Library — 805 S.E. 122nd Ave.	Woodstock Library — 6008 S.E. 49th Ave.
Capitol Hill Library — 10723 S.W. Capitol Hwy.	North Portland Library — 512 N. Killingsworth St.	
Central Library — 801 S.W. 10th Ave.	Northwest Library — 2300 N.W. Thurman St.	
Fairview-Columbia Library — 1520 N.E. Village St., Fairview	Rockwood Library — 17917 S.E. Stark St.	
Gregory Heights Library — 7921 N.E. Sandy Blvd.	Sellwood-Moreland Library — 7860 S.E. 13th Ave.	
Gresham Library — 385 N.W. Miller Ave., Gresham	St. Johns Library — 7510 N. Charleston Ave.	
Hillsdale Library — 1525 S.W. Sunset Blvd.		
Holgate Library — 7905 S.E. Holgate Blvd.		
Kenton — 8226 N. Denver Ave.		

Photo © Justine Images



[www.multcolib.org](http://www.multcolib.org)

facebook.com/multcolib  
twitter.com/multcolib

## ACKNOWLEDGMENTS

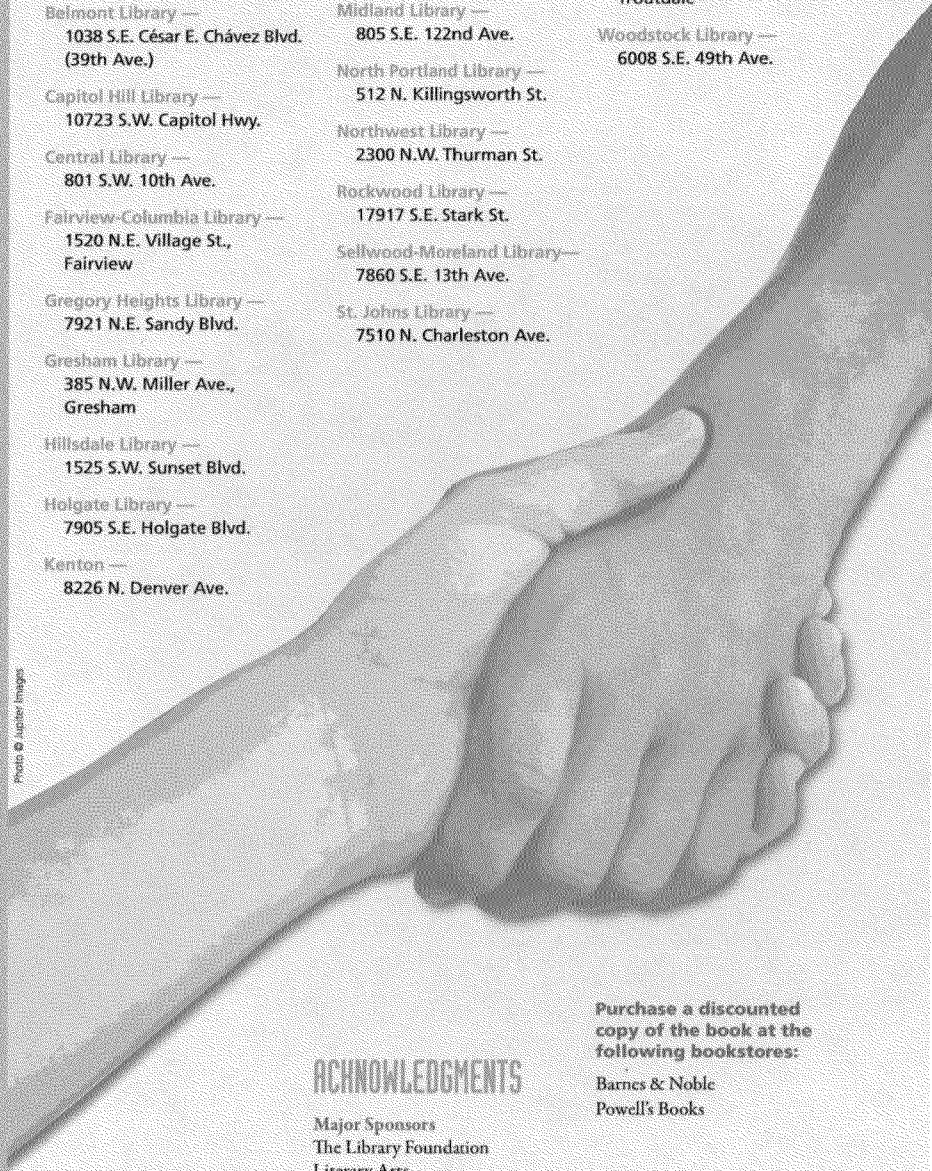
Major Sponsors  
The Library Foundation  
Literary Arts

Thanks also to the following  
community partners for their  
participation:

Friends of the Library  
Portland State University

Purchase a discounted  
copy of the book at the  
following bookstores:

Barnes & Noble  
Powell's Books







**EVERYBODY READS**

**2011**

**A community  
reading  
project of  
Multnomah  
County  
Library**

**The Other Wes Moore**

**by  
Wes Moore**

**What if everybody  
read the same book?**

**We'd talk to each other  
about issues that matter,  
and we'd celebrate the  
power of books in creating  
a stronger community.**

**[www.multcolib.org/reads](http://www.multcolib.org/reads)**

Made possible in part by The Library Foundation

# EVERYBODY READS

January–February 2011

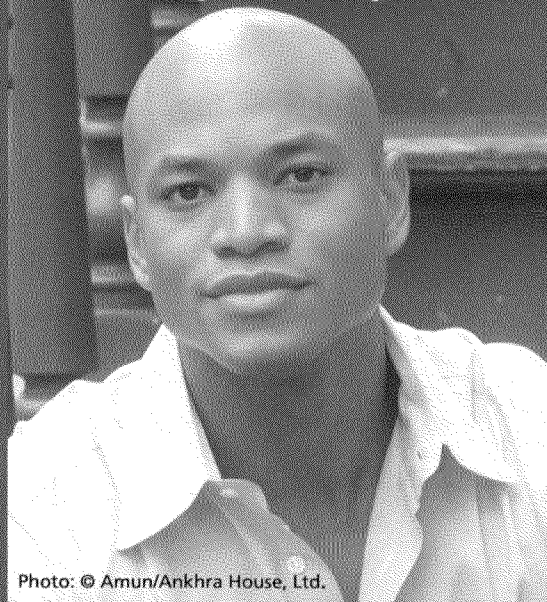


Photo: © Amun/Ankhra House, Ltd.

Literary Arts and Multnomah County Library  
present

## An Evening with Wes Moore

### One Name, Two Fates:

A Moving & Inspiring  
True Story of Our Times

Monday, March 7 • 7:30 p.m.

The Arlene Schnitzer Concert Hall

Tickets and event information can be  
found at [www.literary-arts.org](http://www.literary-arts.org)

### Get involved!

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- **Read.**  
Borrow a copy of the book.
- **Discuss.**  
Share your thoughts at a book discussion.
- **Be inspired.**  
Hear author Wes Moore talk about the book.
- **Do.**  
Find out what you can do to make a difference.

THE  
**Library**  
FOUNDATION

MULTNOMAH COUNTY  
**LIBRARY** 



**LITERARY ARTS**



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST BUDGET MODIFICATION

(revised 08/02/10)

APPROVED: MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # R-2 DATE 1/13/11  
MARINA BAKER, ASST BOARD CLERK

## Board Clerk Use Only

Meeting Date: 1/13/11  
Agenda Item #: R-2  
Est. Start Time: 9:40 am

**BUDGET MODIFICATION: DA 2011 - 01**

**Agenda Title:** **BUDGET MODIFICATION # Request to appropriate \$60,000 in funding from the City of Portland for the Service Coordination Team.**

*Note: For all other submissions (i.e. Notices of Intent, Ordinances, Resolutions, Orders or Proclamations) please use the APR short form.*

<b>Requested Meeting Date:</b>	<u>1/13/11</u>	<b>Amount of Time Needed:</b>	<u>5 minutes</u>
<b>Department:</b>	<u>District Attorney</u>	<b>Division:</b>	<u>Felony</u>
<b>Contact(s):</b>	<u>Scott Marcy</u>		
<b>Phone:</b>	<u>503-988-3863</u>	<b>Ext.:</b>	<u>I/O Address: 101/600</u>
<b>Presenter Name(s) &amp; Title(s):</b>	<u>Scott Marcy</u>		

## General Information

### 1. What action are you requesting from the Board?

Request the Board appropriate funds from the City of Portland in the amount of \$60,000 for the purpose of funding a .5 FTE Deputy DA position in the Drug Unit of the Felony Division of the District Attorney's Office. Program Offer 15008.

### 2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Service Coordination Team (SCT) was established by the Portland Police Bureau in 2003 to address chronic public safety issues in Portland's Downtown/Old Town neighborhoods. The Bureau determined that the majority of crimes in those areas were being committed by a small concentration of long time drug addicts who were committing drug and property crimes to feed their addiction. The SCT was formed with the underlying premise that if the drug addiction was eliminated, the criminality associated with supporting it would decrease as well.

**Budget Modification APR  
Submit to Board Clerk**

Many SCT clients have been arrested over 100 times and have been committing crimes and using drugs as early as grade school. Most have had long periods of incarceration. This client population typically does not fare well in traditional treatment models and is considered one of the most difficult to serve. In addition to addiction and criminality, mental health issues are frequently present. The SCT treatment program is designed to address all three issues as a path to recovery – drug addiction, criminality and mental health.

The program began in 2003 and has been fully funded with treatment and housing services since July, 2008. Since then, over 200 clients have received some level of service, from temporary housing to intensive six-eight month treatment. 87 have received drug treatment services and 26 of them have completed the entire treatment program, including wrap-around services for employment and permanent housing.

The program has played a role in significantly reducing crime in the impacted neighborhoods. Since 2005, the impacted neighborhoods have experienced a 32% decrease in crime. The overall average arrest rate among the client population has been reduced by 36% since 2006, with 63% of the offenders having had decreases in bookings. Using an average arrest and incarceration record, the 26 graduates represent a collective total of 1840 arrests and 354 years of incarceration. The criminal justice costs associated with processing and incarcerating these people are enormous, with the jail beds alone costing over \$20,000,000.

This budget modification recognizes an amendment of the IGA between the City and County that extends funding for the Deputy DA position in the amount of \$60,000 and reduces that to a half-time position.

**3. Explain the fiscal impact (current year and ongoing)**

This impacts only the current year funding by increasing the local funds for the DA office by \$60,000.

**4. Explain any legal and/or policy issues involved.**

none

**5. Explain any citizen and/or other government participation that has or will take place.**

Funds supplied by the City of Portland Police Bureau...

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## ATTACHMENT A

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### Budget Modification

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If the request is a **Budget Modification**, please answer all of the following in detail:

- **What revenue is being changed and why? If the revenue is from a federal source, please list the Catalog of Federal Assistance Number (CFDA).**

The general fund is increased by \$60,000

- **What budgets are increased/decreased?**

The DA Office program offer 15008 Drug/Vice unit budget is increased by \$60,000.

- **What do the changes accomplish?**

Maintains a halftime Deputy DA position working with the Service Coordination Team.

- **Do any personnel actions result from this budget modification? Explain.**

Adds .5 FTE Deputy DA 2 to Program offer 15008 Drug/Vice Unit.

- **If a grant, is 100% of the central and department indirect recovered? If not, please explain why.**

n/a

- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**

This is revenue for the current year only. It is unknown if funding will continue.

- **If a grant, what period does the grant cover? When the grant expires, what are funding plans? Are there any particular stipulations required by the grant (i.e. cash match, in kind match, reporting requirements etc)?**

n/a

*NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.*

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## ATTACHMENT B

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BUDGET MODIFICATION: DA 2011-01

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### Required Signatures

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Elected Official or  
Department/  
Agency Director:

Date: 1/7/2010

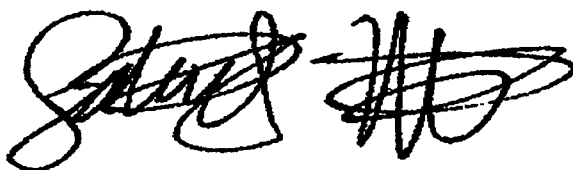


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Mike Schrunck

Budget Analyst:

Date: 1/7/2010



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Patrick Heath

Department HR:

Date:

Countywide HR:

Date:

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Budget Modification APR  
Submit to Board Clerk

Budget Modification ID: DA 2011-01

**EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2011

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Internal Order	Cost Center	WBS Element						
1	15-10	1000	15008	50			DA Chop	60000	-	38,250	38,250		permanent
2	15-10	1000	15008	50			DA Chop	60130	0	12,427	12,427		salary related
3	15-10	1000	15008	50			DA Chop	60140	0	9,323	9,323		insurance
4	15-10	1000	15008	50			DA Chop	50200	0	(60,000)	(60,000)		local revenue
5	72-10	3500		20		705210		50316	0	(9,323)	(9,323)		ins. Revenue
6	72-10	3500		20		705210		60330	0	9,323	9,323		ins. Expense
7													
8													
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											0	0	GRAND TOTAL



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST NOTICE OF INTENT

(revised 08/02/10)

APPROVED: MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # R-3 DATE 1/13/11  
MARINA BAKER, ASST BOARD CLERK

## Board Clerk Use Only

Meeting Date: 1/13/11  
Agenda Item #: R-3  
Est. Start Time: 9:45 am

**NOTICE OF INTENT to Submit an Application for up to \$500,000 to the US Department of Health and Human Services, Bureau of Health Professionals Division of Nursing's *Affordable Care Act – Nurse Education, Practice, Quality and Retention* Grant Competition.**

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.*

Requested Meeting Date:	<u>January, 13, 2011</u>	Amount of Time Needed:	<u>5 minutes</u>
Department:	<u>Health</u>	Division:	<u>Nursing</u>
Contact(s):	<u>Nicole Hermanns, Frances Conedera</u>		
Phone:	<u>503-988-3663</u>	Ext.	<u>26314</u>
Presenter Name(s) & Title(s):	<u>I/O Address: <u>160/9</u></u> <u>Nicole Hermanns and Frances Conedera</u>		

## General Information

### 1. What action are you requesting from the Board?

Authorize the Director of the Health Department to submit an application for up to \$500,000 to the US Department of Health and Human Services, Bureau of Health Professionals Division of Nursing's *Affordable Care Act – Nurse Education, Practice, Quality and Retention* Grant Competition.

### 2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Health Department plans to apply for funding under the grant's third practice priority area whose goal is to develop or enhance the knowledge, skills, and abilities of nurses and nursing students in the management of complex existing and emerging health care systems in order to adequately practice in new and changing interdisciplinary environments. The project's overall goal is to improve the quality of care and the retention of the nursing workforce within public health settings through the enhancement of nursing education and support.



MCHD has developed a three year program to address key issues/needs within the Department, support retention, and improve job satisfaction and quality of care within MCHD services. The program consists of two key components:

**Component 1** – MCHD currently provides nursing care in a wide variety of settings, including primary care clinics, corrections health, home visiting programs, school based health centers, and other community-based programs. To ensure a standard of care across all of these settings, MCHD has begun to standardize policy and practice for nursing care/treatment of specific conditions, such as diabetes and depression, throughout all of these various care settings. This grant will provide the resources to provide on-site continuing education and training to nurses to support the implementation of standardized policies and practices throughout the organization.

**Component 2** – As a result of lower pay, fewer opportunities for continuing education, and increased stress levels, it is often hard to attract and retain nurses within the public health field. The extreme needs of our patient population and the high volume of patients we serve result in significantly higher rates of mental stress and burnout for public health nurses when compared to other medical settings, and with the beginnings of health care reform, the role of public health nursing is changing, creating additional stress and turmoil. This grant will provide MCHD with the resources to offer its nursing staff ongoing training and support services in areas such as self-care, stress management, change management, empowering health promotion, and cultural competency.

**3. Explain the fiscal impact (current year and ongoing).**

This grant would provide the Health Department with up to \$500,000 a year, for three years, to provide its nursing workforce with continuing education, professional development, and support services to increase quality of care and nurse retention within the Health Department's medical services.

**4. Explain any legal and/or policy issues involved.**

None.

**5. Explain any citizen and/or other government participation that has or will take place.**

None.

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## ATTACHMENT A

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### Grant Application/Notice of Intent

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If the request is a Grant Application or Notice of Intent, please answer all of the following in detail:

- **Who is the granting agency?**  
The Division of Nursing within the Bureau of Health Professionals of the U.S. Department of Health and Human Services is the granting agency.
- **Specify grant (matching, reporting and other) requirements and goals.**  
The purpose of this federal grant program is to provide grant support for academic, service, and continuing education projects designed to enhance nursing education, improve the quality of patient care, increase nurse retention, and strengthen the nursing workforce. Funding preference is given to state and local health departments to meet public health nursing needs. There are no cost-sharing or matching requirements; regular financial and progress reporting is required.
- **Explain grant funding detail – is this a one time only or long term commitment?**  
The grant will provide the Health Department with up to \$500,000 a year for three years.
- **What are the estimated filing timelines?**  
The grant application is due on January 21, 2011.
- **If a grant, what period does the grant cover?**  
The grant will cover a three year period, beginning July 1, 2011 and ending June 30, 2014.
- **When the grant expires, what are funding plans?**  
When the grant expires, the project will be completed. No additional funding will be required.
- **Is 100% of the central and departmental indirect recovered? If not, please explain why.**  
100% of the central and departmental indirect costs will be covered by the grant.

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## ATTACHMENT B

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### Required Signatures

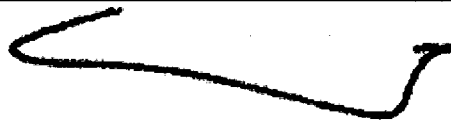
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Elected Official or  
Department/  
Agency Director:

Gary Oxman for

Date: 12/30/10

*Lillian Shirley*



01/03/2011

Budget Analyst:

Date:



# MULTNOMAH COUNTY

## AGENDA PLACEMENT REQUEST (revised 09/22/08)

APPROVED AS AMENDED

APPROVED: MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # R-4 DATE 1/13/11  
MARINA BAKER, ASST BOARD CLERK

### Board Clerk Use Only

Meeting Date: 1/13/11  
Agenda Item #: R-4  
Est. Start Time: 9:50 am

BUDGET MODIFICATION: Overall - 01

**Agenda Title:** FY 2011 Supplemental Budget, Adding Beginning Working Capital and Increasing Six County Funds by \$7,808,385.

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.*

Requested Meeting Date:	<u>January 13, 2011</u>	Amount of Time Needed:	<u>10 minutes</u>
Department:	<u>County Management</u>	Division:	<u>Budget Office</u>
Contact(s):	<u>Julie Neburka</u>		
Phone:	<u>503-988-3312</u>	Ext.	<u>27351</u>
	I/O Address:		<u>503/501</u>
Presenter(s):	<u>Julie Neburka, invited others</u>		

### General Information

**1. What action are you requesting from the Board?**

Approve FY 2011 Supplemental Budget #1, increasing six County operating funds by adding \$5,508,213 in beginning working capital (BWC) and \$2,300,172 in other revenues.

**2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.**

A supplemental budget is the vehicle allowed by ORS Chapter 294 (commonly known as "Oregon Budget Law") for the Board to address changes in financial conditions not anticipated at the time the budget was adopted. This supplemental budget adds beginning working capital (BWC) to four County funds and increases revenues and service reimbursements to two other funds.

Beginning Working Capital represents the difference between revenues and expenditures in a fiscal year. Added to the following year's budget, BWC becomes a one-time resource for County programs. It is especially important to account for *and spend* any BWC associated with grant funds, as County Financial Policies state a preference for spending grant funds prior to spending unrestricted (General Fund) resources on the same programs.

Estimated BWC is included in the County's budget via the annual budget process, but since we

“close the books” well after the budget is adopted in a fiscal year, there is normally some difference between the amount that was included in the budget and the amount that actually remains at year-end. This action closes that gap by adding the difference that was not included when we adopted the budget. The four funds adding BWC are the Animal Services Fund (1508), the Federal-State Fund (1505), the Inmate Welfare Fund (1513), and the Justice Services Special Operations Fund (1516). The two funds being increased by service reimbursements (to account for indirect and insurance costs) are the General Fund (1000) and the Risk Fund (3500). Additionally, intergovernmental, personal income tax (ITAX), and donation revenues are added to the General Fund.

**3. Explain the fiscal impact (current year and ongoing).**

This supplemental budget adds one-time resources to the six funds identified above as follows:

The Animal Services Fund is increased by \$387,957. This fund accounts for revenues from dog and cat licenses and animal services fees per ORS 609.060(3). Cash transfers are made to the General Fund for animal services activities. The BWC results from licenses and fee revenues that exceeded expectations in FY 2010 and were not transferred into the General Fund then. The FY 2011 supplemental budget transfers the BWC into the General Fund contingency to be re-allocated by the Board.

The Federal-State Fund is increased by \$4,949,300. This special revenue fund accounts for the majority of revenues and expenditures related to federal and state financial assistance and health care programs. About one third of the BWC here will be used in DCHS' Mental Health & Addictions Services residential treatment and transitional housing. Most of the remainder will be used to expand and enhance the County's health clinic system through expansion of the electronic health records system in the Health Department, and support of the business plan for the new Rockwood Health Clinic as needed.

The Inmate Welfare Fund is increased by \$76,600. This fund accounts for proceeds from the sale of commissary items in the jails. The BWC results from fund under-expenditures in FY 2010. FY 2011 expenditures will go toward commissary inventory items.

The Justice Services Special Operations Fund is increased by \$129,356. This fund accounts for revenues and expenditures for dedicated services provided by the Department of Community Justice, the Sheriff's Office, and the Health Department. BWC is being added in the Sheriff's Office and will be spent on Hazardous Materials training activities, supplies, Alarm Unit refunds, and the Kyrin Horman Investigation. BWC added in the Health Department will be used for Emergency Medical Services.

The General Fund is increased by \$2,203,496 to account for prior-year ITAX revenue, for intergovernmental fee revenue for detention beds at the Juvenile Detention Facility, for a cash transfer from the Animal Services fund, and for indirect expenditures paid by other funds. The Risk Fund is increased by \$61,677 to account for insurance expenditures paid by other funds.

**4. Explain any legal and/or policy issues involved.**

County Financial Policies state a preference for spending grant funds prior to spending unrestricted (General Fund) resources on County programs. ORS 294.326(3) states that the normal provisions of Oregon Budget Law apply to "...the expenditure of grants, gifts, bequests, or devices transferred to a municipal corporation in trust for specific purposes which were received in a prior year." This is the section of Oregon Budget Law that calls out BWC as an item that may only be included in a budget after adoption via a supplemental budget.

**5. Explain any citizen and/or other government participation that has or will take place.**

As required by law, notice of this supplemental budget will be published in *The Oregonian* on Thursday, December 30, 2010.

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## ATTACHMENT A

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### Budget Modification

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If the request is a **Budget Modification**, please answer all of the following in detail:

- **What revenue is being changed and why?**

BWC is increased by \$387,957 in the Animal Services Fund; by \$76,600 in the Inmate Welfare Fund; and by \$94,356 in the Justice Services Special Operations Fund. Additionally, donations revenue is increased by \$35,000 in the Justice Services Special Operations Fund. In the Federal-State Fund, BWC is increased by \$4,949,300. Service reimbursement revenue is increased in the General Fund by \$242,539, and in the Risk Fund by \$61,677. Additionally, the General Fund is increased by \$273,000 in intergovernmental revenue from Clackamas and Washington counties for services at the Juvenile Detention facility; by \$1,300,000 in ITAX revenue; and by the \$387,957 cash transfer from the Animal Services Fund. BWC, fee, and tax revenues are increased in order to appropriate and spend these funds in FY 2011, and service reimbursement revenues are increased in order to account for indirect costs paid to the General & Risk Funds.

- **What budgets are increased/decreased?**

This action changes budgets in seven county departments. Please refer to the Supplemental Budget document for more information about changes to specific programs.

DCHS is increased by \$2,141,301.

The Health Department is increased by \$3,033,700.

The Department of Community Justice is increased by \$246,750.

The Sheriff's Office is increased by \$198,024.

The Department of County Management is increased by \$61,677.

The Department of Community Services is increased by \$387,957.

The Nondepartmental budget is increased by \$1,300,000.

- **What do the changes accomplish?**

Broadly speaking, these changes incorporate available BWC, prior-year tax revenues, and other fees and donations into the FY 2011 budget to be used for a variety of one-time projects county-wide. Please refer to the Supplemental Budget document for more information about changes to specific programs.

- **Do any personnel actions result from this budget modification? Explain.**

None.

- **How will the county indirect, central finance and human resources and departmental overhead costs be covered?**

Grant sources that pay indirect will pay it at the FY 2011 published rates.

- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**

BWC is a one-time revenue source.

- **If a grant, what period does the grant cover?**

N/A

- **If a grant, when the grant expires, what are funding plans?**

N/A

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## ATTACHMENT B

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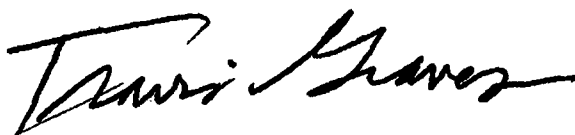
**BUDGET MODIFICATION: Over - 01**

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### Required Signatures

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**Elected Official or  
Department/  
Agency Director:**



**Date:** 12/7/10

Travis Graves (for Mindy Harris)

**Budget Analyst:**



**Date:** 12-07-10

**Department HR:**

**Date:**

**Countywide HR:**

**Date:**

Budget Modification ID: **Supplemental-01****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

**Budget/Fiscal Year: 2011**

Line No.	Fund Center	Fund Code	Program #	Func. Area	Internal Order	Accounting Unit		Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
						Cost Center	WBS Element						
1	19	1508	91005	20		9500001508		50000	0	(387,957)	(387,957)		Add BWC
2	91-30	1508	91005	20		903001		60560	1,660,000	2,009,161	349,161		Increase Cash Transfer
3	91-30	1508	91005	20		903201		60560	85,000	102,458	17,458		Increase Cash Transfer
4	91-30	1508	91005	20		903301		60560	105,000	126,338	21,338	0	Increase Cash Transfer
5										0			
6	91-30	1000		20		903000		50320	(1,209,530)	(1,597,487)	(387,957)		Increase CT revenue
7	19	1000		20		9500001000		60470	6,617,779	7,005,736	387,957	0	Increase contingency
8													
9													
10	40-20	1516	40004	0030		402420		50000	(255,000)	(272,755)	(17,755)		EMS BWC
11	40-20	1516	40004	0030		402420		60240	311,376	327,687	16,311		Emergency Med Supplies
12	40-20	1516	40004	0030		402420		60350	5,581	5,883	302		Central Indirect
13	40-20	1516	40004	0030		402420		60355	21,110	22,252	1,142	0	Department Indirect
14													
15	40-90	90000	40040	0030			49130-BWC	50000	0	(2,807,999)	(2,807,999)		Clinic BWC
16	40-90	90000	40040	0030			49130-BWC	60170	0	2,579,709	2,579,709		Professional Services
17	40-90	90000	40040	0030			49130-BWC	60350	0	47,736	47,736		Central Indirect
18	40-90	90000	40040	0030			49130-BWC	60355	0	180,554	180,554	0	Department Indirect
19													
20	20-80	90000	25060	40			MA SN MC RES BWC	50000	0	(532,912)	(532,912)		Beginning Working Capital
21	20-80	90000	25060	40			MA SN MC RES BWC	60160	0	532,912	532,912	0	Pass-Thru
22													
23	20-80	90000	25060	40			MA SN MC RES BWC	50000	0	(78,580)	(78,580)		Beginning Working Capital
24	20-80	90000	25060	40			MA SN MC RES BWC	60160	0	78,580	78,580	0	Pass-Thru
25													
26	20-80	90000	25060	40			MA SN MC RES BWC	50000	0	(1,034,648)	(1,034,648)		Beginning Working Capital
27	20-80	90000	25060	40			MA SN MC RES BWC	60160	0	1,034,648	1,034,648	0	Pass-Thru
28													
29	20-80	90000	25067	40			MA SC FC OMAP BWC	50000	0	(43,055)	(43,055)		Beginning Working Capital
30	20-80	90000	25067	40			MA SC FC OMAP BWC	60160	0	43,055	43,055	0	Pass-Thru
											0	0	Total - Page 1
											1	1	GRAND TOTAL



Budget Modification ID: Supplemental-01

**EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2011

Line No.	Fund Center	Fund Code	Program #	Func. Area	Internal Order	Accounting Unit		Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
						Cost Center	WBS Element						
31	20-80	90000	25062	40			MA SC BRISTOL SETT	50000	0	(54,790)	(54,790)		Beginning Working Capital
32	20-80	90000	25062	40			MA SC BRISTOL SETT	60160	0	54,790	54,790	0	Pass-Thru
33													
34	22-10	90000	25119	41			SCPCESRR.WXREB.P	50000	0	(383,701)	(383,701)		Beginning Working Capital
35	22-10	90000	25119	40			SCPCESRR.WXREB.P	60155	0	383,701	383,701	0	Direct Client Assistance
36										0			
37	30-45	90000	25020A	40			ADSDIV9B BWC LS	50000	0	(22,983)	(22,983)		Beginning Working Capital
38	30-45	90000	25020A	40			ADSDIV9B BWC LS	60155	0	22,983	22,983	0	Direct Client Assistance
39													
40	30-45	90000	25020A	40			ADSDIV63 BWC CEP	50000	0	(26,666)	(26,666)		Beginning Working Capital
41	30-45	90000	25020A	40			ADSDIV63 BWC CEP	60170	0	26,666	26,666	0	Professional Services
42										0			
43	30-45	90000	25020A	40			ADSDIVVS BWC DVA	50000	(20,000)	0	20,000		Beginning Working Capital
44	30-45	90000	25020A	40			ADSDIVVS BWC DVA	60170	20,000	0	(20,000)	0	Professional Services
45										0			
46	30-45	90000	25020A	40			ADSDIVCS202 BWC C	50000	(1,000)	(1,764)	(764)		Beginning Working Capital
47	30-45	90000	25020A	40			ADSDIVCS202 BWC C	60155	1,000	1,764	764	0	Direct Client Assistance
48										0			
49	30-45	90000	25020A	40			ADSDIV30 BWC PDX	50000	(180,000)	(161,252)	18,748		Beginning Working Capital
50	30-45	90000	25020A	40			ADSDIV30 BWC PDX	60160	180,000	161,252	(18,748)	0	Pass Thru & Prog Support
51													
52	30-45	90000	25020A	40			ADSDIV84 BWC USDA	50000	(30,000)	(29,975)	25		Beginning Working Capital
53	30-45	90000	25020A	40			ADSDIV84 BWC USDA	60160	30,000	29,975	(25)	0	Pass Thru & Prog Support
54													
55	30-01	90000	25027	40			ADSDIVADM202 BWC	50000	(3,000)	(4,975)	(1,975)		Beginning Working Capital
56	30-01	90000	25027	40			ADSDIVADM202 BWC	60155	3,000	4,975	1,975	0	Direct Client Assistance
57										0			
58										0			
59										0			
											0	0	Total - Page 2
											1	1	GRAND TOTAL

Budget Modification ID: **Supplemental-01****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2011

Line No.	Fund Center	Fund Code	Program #	Func. Area	Internal Order	Accounting Unit		Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
						Cost Center	WBS Element						
60	50-50	1000	50011	50		506100		50200	(2,736,926)	(3,009,926)	(273,000)		IG-OP-Other
61	50-50	1000	50011	50		506100		60000	1,843,942	1,999,602	155,660		Salary
62	50-50	1000	50011	50		506100		60110	128,729	98,690	(30,039)		Overtime
63	50-50	1000	50011	50		506100		60130	616,688	663,418	46,730		Fringe
64	50-50	1000	50011	50		506100		60140	575,016	636,069	61,053		Insurance
65	50-50	1000	50011	50		506230		60250	179,738	193,084	13,346		Food
66	40-50	1000	40049	30		405550		60246	4,983	12,483	7,500		Medical Supplies
67	40-50	1000	40049	30		405550		60310	37,411	56,161	18,750	0	Drugs
68										0			
69	60-50	1516	60063	50			SOENF.HZT3	50000		(7,277)	(7,277)		BWC
70	60-50	1516	60063	50			SOENF.HZT3	60110		5,939	5,939		Overtime
71	60-50	1516	60063	50			SOENF.HZT3	60130		220	220		Salary-Related
72	60-50	1516	60063	50			SOENF.HZT3	60140		624	624		Insurance
73	60-50	1516	60063	50			SOENF.HZT3	60350		115	115		Central Indirect
74	60-50	1516	60063	50			SOENF.HZT3	60355		380	380	0	Dept Indirect
75										0			
76	60-50	1516	60069	50		601774	Alarms	50000		(58,206)	(58,206)		BWC
77	60-50	1516	60069	50		601774		60160		54,246	54,246		Pass-Thru
78	60-50	1516	60069	50		601774		60350		922	922		Central Indirect
79	60-50	1516	60069	50		601774		60355		3,038	3,038	(0)	Dept Indirect
80										0			
81	60-20	1513	60019	50		601381	Inmate Welfare	50000		(21,223)	(76,600)		BWC
82	60-20	1513	60019	50		601381		60170		19,629	71,389		Professional Svcs
83	60-20	1513	60019	50		601381		60350		534	1,214		Central Indirect
84	60-20	1513	60019	50		601381		60355		1,060	3,998	0	Dept Indirect
85										0			
86	60-20	1000		50		604020		50370		(9,823)	(9,823)		Dept. Indirect
87	60-20	1000		50		604020		60240		9,823	9,823	0	Supplies
88										0			
											1	1	Total - Page 3
											1	1	GRAND TOTAL

Budget Modification ID: **Supplemental-01****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2011

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Internal Order	Cost Center	WBS Element						
89	60-50	1516	60066	50			SOENF.SSS	50000		(11,118)	(11,118)		BWC
90	60-50	1516	60066	50			SOENF.SSS	50300		(35,000)	(35,000)		Donations
91	60-50	1516	60066	50			SOENF.SSS	60170		42,980	42,980		Professional Svcs
92	60-50	1516	60066	50			SOENF.SSS	60350		731	731		Central Indirect
93	60-50	1516	60066	50			SOENF.SSS	60355		2,407	2,407	(0)	Dept Indirect
94										0			
95	19	1000		20		9500001000		50310		(51,020)	(51,020)		Increase Indirect Revenue
96	19	1000		20		9500001000		60470		51,020	51,020		Increase Contingency
97										0			
98	40-90	1000		30		409001		50370		(181,696)	(181,696)		Increase HD indirect
99	40-90	1000		30		409001		60240		181,696	181,696		Increase HD indirect
100										0			
101	72-10	3500		20		705210		50316		(61,677)	(61,677)		Increase Insurance SR
102	72-10	3500		20		705210		60330		61,677	61,677		Increase Insurance SR
103										0			
104	19	1000		20		9500001000		50165	(200,000)	(1,500,000)	(1,300,000)		Increase Personal Income Tax
105	10-02	1000		20			itax.schools.centennial	60150	9,800	100,800	91,000		Increase pass-through
106	10-02	1000		20			itax.schools.corbett	60150	966	9,936	8,970		Increase pass-through
107	10-02	1000		20			itax.schools.daviddoug	60150	15,722	161,712	145,990		Increase pass-through
108	10-02	1000		20			itax.schools.greshamba	60150	16,604	170,784	154,180		Increase pass-through
109	10-02	1000		20			itax.schools.parkrose	60150	5,796	59,616	53,820		Increase pass-through
110	10-02	1000		20			itax.Schools.portland	60150	73,010	750,960	677,950		Increase pass-through
111	10-02	1000		20			itax.schools.reynolds	60150	17,234	177,264	160,030		Increase pass-through
112	10-02	1000		20			itax.schools.riverdale	60150	742	7,632	6,890		Increase pass-through
113	10-02	1000		20			itax.schools.scappoose	60150	126	1,296	1,170	0	Increase pass-through
114										0			
115										0			
116										0			
											0	0	Total - Page 4
											1	1	GRAND TOTAL

**FY 2011 SUPPLEMENTAL BUDGET  
MESSAGE**

## Supplemental Budget

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## THE DOCUMENT

The document consists of three sections:

1. The budget message explaining the reasons for the changes proposed,
2. A section of detailed estimate sheets and descriptions for those actions resulting in changes in expenditures,
3. A financial summary of the resources and requirements being changed by fund.

## REASONS FOR CHANGES

A Supplemental Budget is the vehicle allowed by ORS Chapter 294 for the Board to address changes in financial conditions not anticipated at the time the budget was adopted. The law allows the Board to make additional appropriations after publishing a summary of the supplemental budget and holding a public hearing on it. This supplemental budget was published in the *Oregonian* on January 6<sup>th</sup>, 2011.

This FY 2011 Supplemental Budget appropriates beginning working capital (BWC) in four county funds; increases a cash transfer, personal income tax, and intergovernmental revenues in the General Fund; and appropriates donations for the Kyron Horman investigation. These revenues increase the FY 2011 budget by \$7.8 million in total, \$5.5 million of which is BWC; and increase services at the new Rockwood Health Center, in several DCHS programs, in the County's Juvenile Detention facility. Additionally, \$1.3 million in prior-year personal income tax (ITAX) revenue is passed through to Multnomah County schools.

BWC represents the difference between revenues and expenditures in a fiscal year. Added to the following year's budget, BWC becomes a one-time resource for County programs. It is especially important to account for and spend any BWC associated with grant funds, as County Financial Policies state a preference for spending grant funds prior to spending unrestricted (General Fund) resources on the same programs.

Estimated BWC is included in the County's budget via the annual budget process, but since we "close the books" well after the budget is adopted in a fiscal year, there is normally some difference between the amount that was included in the budget and the amount that actually remains at year-end. This supplemental budget closes that gap by adding the difference that was not included when we adopted the budget. The four funds adding BWC are the Animal Services Fund (1508), the Federal-State Fund (1505), the Inmate Welfare Fund (1513), and the Justice Services Special Operations Fund (1516). Additionally, donation revenue is added to the Justice Services Special Operations Fund for the Kyron Horman investigation, and intergovernmental fee revenue from Clackamas and Washington counties is added to the General Fund to pay for additional beds at the Juvenile Detention facility.

The personal income tax (ITAX) was created when voters approved Ballot Measure 26-48 in May, 2003. It was a three-year measure that raised local funds to prevent further cuts to Multnomah County's public schools and to programs that help the County's most vulnerable residents. The bulk of the revenue, approximately \$90 million per year in 2003, 2004, and 2005, was divided equally on a per-pupil basis to all county public school districts. Since the end of

the ITAX in 2005, the County has pursued collections from delinquent accounts. The revenue added in this supplemental budget represents prior-year taxes collected in FY 2010. Revenues are allocated to the school districts on the same per-pupil basis as existed during the last year of full collections.

Each of these items affects FY 2011 only; there is no ongoing fiscal impact.

Fund increases are as follows:

**Animal Services Fund: \$387,957.** This fund accounts for revenues from dog and cat licenses and animal services fees per ORS 609.060(3). Cash transfers are made to the General Fund for animal services activities. The BWC results from licenses and fee revenues that exceeded expectations in FY 2010 and were not transferred into the General Fund then. The FY 2011 supplemental budget transfers the BWC into the General Fund contingency to be re-allocated by the Board.

**Federal-State Fund: \$4,949,300.** This special revenue fund accounts for the majority of revenues and expenditures related to federal and state financial assistance and health care programs. About one third of the BWC here will be used in DCHS' Mental Health & Addictions Services residential treatment and transitional housing. Most of the remainder will be used to expand and enhance the County's health clinic system through expansion of the electronic health records system in the Health Department, and support of the business plan for the new Rockwood Health Clinic as needed.

**Inmate Welfare Fund: \$76,600.** This fund accounts for proceeds from the sale of commissary items in the jails. The BWC results from fund under-expenditures in FY 2010. FY 2011 expenditures will go toward commissary inventory items.

**Justice Services Special Operations Fund: \$129,356.** This fund accounts for revenues and expenditures for dedicated services provided by the Department of Community Justice, the Sheriff's Office, and the Health Department. BWC is being added in the Sheriff's Office and will be spent on Hazardous Materials training activities, supplies, Alarm Unit refunds, and the Kyron Horman Investigation. BWC added in the Health Department will be used for Emergency Medical Services.

**General Fund \$2,203,496.** This fund accounts for and reports all financial operations of the County which are not accounted for and reported in another fund. The supplemental budget increases the General Fund by adding the cash transfer from the Animal Services Fund; by adding intergovernmental revenue from Clackamas and Washington counties; by adding prior-year personal income tax collections; and by adding indirect revenue from BWC revenues in other funds.

**Risk Fund \$61,677.** This fund accounts for all internal service reimbursements, revenues, and expenses associated with the County's insurance requirements and administration of workers' compensation, general liability, tort, auto, property, employee medical, dental, vision, life and long-term disability claims and insurance, employee benefits, health promotion, post-retirement benefits, and unemployment insured and self-insured programs. Service reimbursement revenue is increased due to the limited-duration positions budgeted in the Juvenile Detention facility. Funds will be spent on insurance premiums for those employees.

**General Fund (1000)**

This fund accounts for and reports all financial operations of the County which are not accounted for and reported in another fund. The supplemental budget increases the General Fund in four ways:

- By receiving a cash transfer from the Animal Services Fund, which will be added to the General Fund contingency for re-allocation by the Board of County Commissioners.
- By adding intergovernmental revenue from Clackamas and Washington counties, which will allow the Department of Community Justice to open a 16-bed detention unit for boys. Clackamas and Washington counties will each pay the cost of 4 additional detention beds at \$125 per bed per day, which will cover the costs for staffing and supplies that are the added operational costs of this 16 bed unit through June 30, 2011. The funding received from Clackamas and Washington counties totals \$273,000.
- By adding \$1.3 million in prior-year ITAX revenue, all of which will be allocated to school districts in Multnomah County on the same per-pupil basis as existed the last year of full collections.
- By adding indirect revenue generated by BWC revenues in other funds. Central indirect revenue totals \$51,020 and will be added to the General Fund contingency. Departmental indirect revenue of \$9,822 in the Sheriff's Office and \$181,696 in the Health Department will pay for administrative expenses associated with increased expenditures in those departments.



# Supplemental Budget

# Fund Detail

General Fund	FY 2011 Adopted Budget	This Action	FY 2011 Revised Budget
60000 Permanent	125,005,562	155,660	125,161,222
60100 Temporary	2,748,342	0	2,748,342
60110 Overtime	4,057,184	(30,039)	4,027,145
60120 Premium	2,012,765	0	2,012,765
60130 Salary Related	42,804,850	46,730	42,851,580
60135 Non-Base Salary Related	414,593	0	414,593
60140 Insurance	37,792,563	61,053	37,853,616
60145 Non-Base Insurance	113,576	0	113,576
<b>Total Personal Services</b>	<b>214,949,435</b>	<b>233,404</b>	<b>215,182,839</b>
60150 County Supplements	6,004,075	1,300,000	7,304,075
60155 Direct Client Assistance	1,315,643	0	1,315,643
60160 Pass-through Payments	31,833,001	0	31,833,001
60170 Professional Svcs	20,605,849	0	20,605,849
60180 Printing	1,397,645	0	1,397,645
60190 Utilities	8,240	0	8,240
60200 Communications	766,136	0	766,136
60210 Rentals	168,481	0	168,481
60220 Repairs & Maintenance	379,096	0	379,096
60230 Postage	279,917	0	279,917
60240 Supplies	3,760,731	191,519	3,952,250
60245 Library Books & Materials	0	0	0
60246 Medical & Dental Supplies	194,181	7,500	201,681
60250 Food	2,891,322	13,346	2,904,668
60260 Education and Training	1,091,462	0	1,091,462
60270 Local Travel and Mileage	361,649	0	361,649
60280 Insurance	608	0	608
60290 External Data Processing	2,060,313	0	2,060,313
60310 Drugs	1,234,982	18,750	1,253,732
60320 Refunds	5,500	0	5,500
60340 Dues and Subscriptions	577,021	0	577,021
60350 Indirect Costs	0	0	0
60355 Departmental Indirect	0	0	0
60370 Telephone	2,067,085	0	2,067,085
60380 Data Processing	15,275,163	0	15,275,163
60390 PC Replacement	37,800	0	37,800
60410 Motor Pool	2,628,013	0	2,628,013
60420 Electronics	643,359	0	643,359
60430 Building Management	22,378,110	0	22,378,110
60440 Other Internal	285,330	0	285,330
60450 Capital Debt Retirement Fund	750,000	0	750,000
60460 Distribution/Postage	1,762,532	0	1,762,532
<b>Total Materials and Services</b>	<b>120,763,244</b>	<b>1,531,115</b>	<b>122,294,359</b>
60540 Other Improvements	0	0	0
60550 Equipment	163,898	0	163,898
<b>Total Capital</b>	<b>163,898</b>	<b>0</b>	<b>163,898</b>
60500 Interest	350,000	0	350,000
60570 Bad Debt Expense	40,000	0	40,000
<b>Total Capital</b>	<b>390,000</b>	<b>0</b>	<b>390,000</b>
60470 Contingency	7,232,629	438,977	7,671,606
60560 Cash transfers	19,863,244		19,863,244
<b>Total Contingencies &amp; Transfers</b>	<b>27,095,873</b>	<b>438,977</b>	<b>27,534,850</b>
60480 Unappropriated Fund Balance	29,885,452		29,885,452
<b>Fund Total:</b>	<b>393,247,902</b>	<b>2,203,496</b>	<b>395,451,398</b>

**Animal Services Fund (1508)**

This fund accounts for revenues from dog and cat licenses and animal services fees per ORS 609.060(3). Cash transfers are made to the General Fund for animal services activities. The BWC results from licenses and fee revenues that exceeded expectations in FY 2010 and were not transferred into the General Fund then. The FY 2011 supplemental budget transfers the BWC into the General Fund contingency to be re-allocated by the Board.

# Supplemental Budget

# Fund Detail

<b>Animal Services Fund</b>	<b>FY 2011 Adopted Budget</b>	<b>This Action</b>	<b>FY 2011 Revised Budget</b>
60000 Permanent	0	0	0
60100 Temporary	0	0	0
60110 Overtime	0	0	0
60120 Premium	0	0	0
60130 Salary Related	0	0	0
60135 Non-Base Salary Related	0	0	0
60140 Insurance	0	0	0
60145 Non-Base Insurance	0	0	0
<b>Total Personal Services</b>	<b>0</b>	<b>0</b>	<b>0</b>
60150 County Supplements	0	0	0
60155 Direct Client Assistance	0	0	0
60160 Pass-through Payments	0	0	0
60170 Professional Svcs	490,000	0	490,000
60180 Printing	2,500	0	2,500
60190 Utilities	0	0	0
60200 Communications	0	0	0
60210 Rentals	0	0	0
60220 Repairs & Maintenance	0	0	0
60230 Postage	0	0	0
60240 Supplies	55,000	0	55,000
60245 Library Books & Materials	0	0	0
60246 Medical & Dental Supplies	15,000	0	15,000
60250 Food	2,500	0	2,500
60260 Education and Training	0	0	0
60270 Local Travel and Mileage	0	0	0
60280 Insurance	0	0	0
60290 External Data Processing	0	0	0
60310 Drugs	2,500	0	2,500
60320 Refunds	0	0	0
60340 Dues and Subscriptions	0	0	0
60350 Indirect Costs	0	0	0
60355 Departmental Indirect	0	0	0
60370 Telephone	0	0	0
60380 Data Processing	0	0	0
60390 PC Replacement	0	0	0
60410 Motor Pool	0	0	0
60420 Electronics	0	0	0
60430 Building Management	0	0	0
60440 Other Internal	0	0	0
60460 Distribution/Postage	0	0	0
<b>Total Materials and Services</b>	<b>567,500</b>	<b>0</b>	<b>567,500</b>
60540 Other Improvements	34,000	0	34,000
60550 Equipment	66,000	0	66,000
<b>Total Capital</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>
60470 Contingency	173,873	0	173,873
60560 Cash transfers	1,850,000	387,957	2,237,957
<b>Total Contingencies &amp; Transfers</b>	<b>2,023,873</b>	<b>387,957</b>	<b>2,411,830</b>
60480 Unappropriated Fund Balance			0
<b>Fund Total:</b>	<b>2,691,373</b>	<b>387,957</b>	<b>3,079,330</b>

**Federal-State Fund (1505)**

The Federal-State fund increases by \$4,949,300 due to numerous actions in two County departments.

In the Department of County Human Services:

1. Aging & Disability Services is adjusting BWC in seven programs by a total of \$13,615. These are small adjustments to revenues and expenditures in programs providing transportation, veterans' services, respite resources for grandparents-raising grandchildren, and nutrition services to seniors.
2. Mental Health and Addictions Services is increasing BWC by \$1,743,985. The bulk of this increase will go toward adult residential treatment services. \$54,790 of this amount will fund services for women affected by domestic violence, and \$43,055 will increase community-based mental health services for children and families.
3. Community Services is adding \$383,701 in BWC from weatherization rebates. This increased appropriation will pay for weatherization services for 77 households.

In the Health Department:

Integrated Clinical Services (ICS) is adding \$2,807,999 in BWC, which will be used to expand and enhance the health clinic system through expansion of the electronic health record system in the Health Department and to support the business plan for the new Rockwood Health Clinic. ICS is funded primarily by fee for service reimbursements from Medicaid, Medicare, private insurance, patient payments, and dental capitation payments. ICS continues to receive higher medical fee reimbursements due to greater provider productivity and the addition of provider teams funded by the Increased Demand for Services (IDS) ARRA grant.

# Supplemental Budget

# Fund Detail

<b>Federal-State Fund</b>	<b>FY 2011 Adopted Budget</b>	<b>This Action</b>	<b>FY 2011 Revised Budget</b>
60000 Permanent	85,684,352	0	85,684,352
60100 Temporary	1,715,522	0	1,715,522
60110 Overtime	1,041,475	0	1,041,475
60120 Premium	832,808	0	832,808
60130 Salary Related	27,845,302	0	27,845,302
60135 Non-Base Salary Related	266,661	0	266,661
60140 Insurance	26,425,642	0	26,425,642
60145 Non-Base Insurance	84,227	0	84,227
<b>Total Personal Services</b>	<b>143,895,989</b>	<b>0</b>	<b>143,895,989</b>
60150 County Supplements	617,275	0	617,275
60155 Direct Client Assistance	25,302,280	409,423	25,711,703
60160 Pass-through Payments	52,207,049	1,725,212	53,932,261
60170 Professional Svcs	9,449,546	2,586,375	12,035,921
60180 Printing	542,096	0	542,096
60190 Utilities	0	0	0
60200 Communications	375,276	0	375,276
60210 Rentals	60,657	0	60,657
60220 Repairs & Maintenance	92,883	0	92,883
60230 Postage	12,957	0	12,957
60240 Supplies	4,144,761	0	4,144,761
60245 Library Books & Materials	0	0	0
60246 Medical & Dental Supplies	1,225,027	0	1,225,027
60250 Food	160,025	0	160,025
60260 Education and Training	890,614	0	890,614
60270 Local Travel and Mileage	395,360	0	395,360
60280 Insurance	8,626	0	8,626
60290 External Data Processing	12,170	0	12,170
60310 Drugs	9,800,655	0	9,800,655
60320 Refunds	0	0	0
60340 Dues and Subscriptions	132,587	0	132,587
60350 Indirect Costs	3,132,600	47,736	3,180,336
60355 Departmental Indirect	8,729,765	180,554	8,910,319
60370 Telephone	1,211,471	0	1,211,471
60380 Data Processing	6,711,337	0	6,711,337
60390 PC Replacements	2,000	0	2,000
60410 Motor Pool	281,533	0	281,533
60420 Electronics	14,000	0	14,000
60430 Building Management	7,383,000	0	7,383,000
60440 Other Internal	0	0	0
60460 Distribution/Postage	840,618	0	840,618
<b>Total Materials and Services</b>	<b>133,736,168</b>	<b>4,949,300</b>	<b>138,685,468</b>
60550 Equipment	162,101	0	162,101
<b>Total Capital</b>	<b>162,101</b>	<b>0</b>	<b>162,101</b>
60470 Contingency	0	0	0
60560 Cash transfers	0	0	0
<b>Total Contingencies &amp; Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>
60480 Unappropriated Fund Balance	0	0	0
<b>Fund Total:</b>	<b>277,794,258</b>	<b>4,949,300</b>	<b>282,743,558</b>

**Inmate Welfare Fund (Fund 1513)**

The Inmate Welfare Fund is an inmate trust fund used for the benefit of Multnomah County inmates. Through the profits from the sale of commissary items, telephone usage and other sources, the Inmate Welfare Fund provides direct services and products that otherwise might not be funded for the benefit of the inmates. Beginning working capital of \$76,600 resulted from fund under-expenditures in FY 2010. FY 2011 expenditures will go toward commissary inventory items and will pay for indirect costs.

# Supplemental Budget

# Fund Detail

<b>Inmate Welfare Fund</b>	<b>FY 2011 Adopted Budget</b>	<b>This Action</b>	<b>FY 2011 Revised Budget</b>
60000 Permanent	431,936	0	431,936
60100 Temporary	0	0	0
60110 Overtime	6,000	0	6,000
60120 Premium	35,348	0	35,348
60130 Salary Related	146,721	0	146,721
60135 Non-Base Salary Related	0	0	0
60140 Insurance	157,781	0	157,781
60145 Non-Base Insurance	0	0	0
<b>Total Personal Services</b>	<b>777,786</b>	<b>0</b>	<b>777,786</b>
60150 County Supplements	0	0	0
60155 Direct Client Assistance	0	0	0
60160 Pass-through Payments	0	0	0
60170 Professional Svcs	80,332	71,389	151,721
60180 Printing	2,338	0	2,338
60190 Utilities	0	0	0
60200 Communications	2,000	0	2,000
60210 Rentals	0	0	0
60220 Repairs & Maintenance	0	0	0
60230 Postage	0	0	0
60240 Supplies	133,162	0	133,162
60245 Library Books & Materials	0	0	0
60246 Medical & Dental Supplies	0	0	0
60250 Food	200,000	0	200,000
60260 Education and Training	3,000	0	3,000
60270 Local Travel and Mileage	2,253	0	2,253
60280 Insurance	0	0	0
60290 External Data Processing	0	0	0
60310 Drugs	0	0	0
60320 Refunds	0	0	0
60340 Dues and Subscriptions	0	0	0
60350 Indirect Costs	21,927	1,214	23,141
60355 Departmental Indirect	72,253	3,998	76,251
60370 Telephone	40,308	0	40,308
60380 Data Processing	0	0	0
60390 PC Replacements	0	0	0
60410 Motor Pool	0	0	0
60420 Electronics	12,500	0	12,500
60430 Building Management	0	0	0
60440 Other Internal	35,000	0	35,000
60460 Distribution/Postage	1,156	0	1,156
<b>Total Materials and Services</b>	<b>606,229</b>	<b>76,600</b>	<b>682,829</b>
60550 Equipment	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>0</b>	<b>0</b>
60470 Contingency	0	0	0
60560 Cash transfers	0	0	0
<b>Total Contingencies &amp; Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>
60480 Unappropriated Fund Balance	0	0	0
<b>Fund Total:</b>	<b>1,384,015</b>	<b>76,600</b>	<b>1,460,615</b>

**Justice Services Special Operations Fund (Fund 1516)**

This fund accounts for revenues and expenditures for dedicated services provided by the Department of Community Justice, the Sheriff's Office, and the Health Department. This fund increases by \$129,356 due to numerous actions in two County departments.

**In the Sheriff's Office,**

1. The Alarms Unit adds \$58,206 in BWC. This amount is excess Alarms Unit revenue and will be returned to participating Multnomah County jurisdictions. Any surplus from the previous year must be returned to each jurisdiction proportionate to the percentage of permit holders within each respective jurisdiction.
2. \$7,277 in BWC will be added for Hazardous Materials training for Sheriff's Office employees. This is reimbursement from the Oregon Fire Marshal for past activities, and can only be used for specified hazardous materials training activities.
3. \$11,118 of prior-year donations (BWC) and \$35,000 in current year donations are added for the Kyron Horman investigation. These funds have been donated by the public and are expected to be used to support this investigation.

**In the Health Department:**

1. Emergency Medical Services (EMS) is adding \$17,755 in BWC. EMS is funded entirely by fees, fines and licenses, a portion of which are not assessed until the end of each contract year. The amount typically isn't paid until after the budget for the next fiscal year has already been finalized. These fines are used to help offset the cost of equipment purchases for the contracted response agencies.

These added revenues also create indirect revenues of \$9,036, which will pay for administrative activities associated with the increased program expenditures, above.



# Supplemental Budget

# Fund Detail

<b>Justice Services Special Ops Fund</b>	<b>FY 2011 Adopted Budget</b>	<b>This Action</b>	<b>FY 2011 Revised Budget</b>
60000 Permanent	3,386,428	0	3,386,428
60100 Temporary	64,455	0	64,455
60110 Overtime	43,746	5,939	49,685
60120 Premium	26,025	0	26,025
60130 Salary Related	1,156,472	0	1,156,472
60135 Non-Base Salary Related	5,376	220	5,596
60140 Insurance	1,029,143	0	1,029,143
60145 Non-Base Insurance	2,080	624	2,704
<b>Total Personal Services</b>	<b>5,713,725</b>	<b>6,782</b>	<b>5,720,507</b>
60150 County Supplements	0	0	0
60155 Direct Client Assistance	0	0	0
60160 Pass-through Payments	686,628	54,246	740,874
60170 Professional Svcs	368,358	42,980	411,338
60180 Printing	30,489	0	30,489
60190 Utilities	0	0	0
60200 Communications	12,120	0	12,120
60210 Rentals	7,620	0	7,620
60220 Repairs & Maintenance	0	0	0
60230 Postage	1,367	0	1,367
60240 Supplies	534,418	16,311	550,729
60245 Library Books & Materials	0	0	0
60246 Medical & Dental Supplies	0	0	0
60250 Food	32,150	0	32,150
60260 Education and Training	20,450	0	20,450
60270 Local Travel and Mileage	1,644	0	1,644
60280 Insurance	0	0	0
60290 External Data Processing	0	0	0
60310 Drugs	0	0	0
60340 Dues and Subscriptions	2,452	0	2,452
60350 Indirect Costs	126,418	2,070	128,488
60355 Departmental Indirect	460,077	6,966	467,043
60370 Telephone	21,947	0	21,947
60380 Data Processing	33,121	0	33,121
60390 PC Flat Fee	0	0	0
60410 Motor Pool	738	0	738
60420 Electronics	0	0	0
60430 Building Management	87,313	0	87,313
60440 Other Internal	17,020	0	17,020
60450 Capital Lease Retirement	0	0	0
60460 Distribution/Postage	28,759	0	28,759
<b>Total Materials and Services</b>	<b>2,473,089</b>	<b>122,574</b>	<b>2,595,663</b>
60520 Land	0	0	0
60530 Buildings	0	0	0
60540 Other Improvements	0	0	0
60550 Equipment	10,000	0	10,000
<b>Total Capital</b>	<b>10,000</b>	<b>0</b>	<b>10,000</b>
60490 Principal	0	0	0
60500 Interest	0	0	0
<b>Total Debt Service</b>	<b>0</b>	<b>0</b>	<b>0</b>
60470 Contingency	0	0	0
60560 Cash transfers	0	0	0
<b>Total Contingencies &amp; Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>
60480 Unappropriated Fund Balance	0	0	0
<b>Fund Total:</b>	<b>8,196,814</b>	<b>129,356</b>	<b>8,326,170</b>

**Risk Fund (Fund 3500)**

This fund accounts for all internal service reimbursements, revenues, and expenses associated with the County's insurance requirements and administration of workers' compensation, general liability, tort, auto, property, employee medical, dental, vision, life and long-term disability claims and insurance, employee benefits, health promotion, post-retirement benefits, and unemployment insured and self-insured programs. Service reimbursement revenue is increased due to the limited-duration positions budgeted in the Juvenile Detention facility. Funds will be spent on insurance premiums for those employees.

# Supplemental Budget

# Fund Detail

<b>Risk Fund</b>	<b>FY 2011 Adopted Budget</b>	<b>This Action</b>	<b>FY 2011 Revised Budget</b>
60000 Permanent	3,233,045	0	3,233,045
60100 Temporary	10,000	0	10,000
60110 Overtime	0	0	0
60120 Premium	387,500	0	387,500
60130 Salary Related	1,028,551	0	1,028,551
60135 Non-Base Salary Related	834	0	834
60140 Insurance	772,513	0	772,513
60145 Non-Base Insurance	250	0	250
<b>Total Personal Services</b>	<b>5,432,693</b>	<b>0</b>	<b>5,432,693</b>
60150 County Supplements	52,000	0	52,000
60155 Direct Client Assistance	0	0	0
60160 Pass-through Payments	0	0	0
60170 Professional Svcs	1,520,227	0	1,520,227
60180 Printing	28,650	0	28,650
60190 Utilities	0	0	0
60200 Communications	0	0	0
60210 Rentals	0	0	0
60220 Repairs & Maintenance	1,100	0	1,100
60230 Postage	250	0	250
60240 Supplies	8,495,145	0	8,495,145
60245 Library Books & Materials	0	0	0
60246 Medical & Dental Supplies	0	0	0
60250 Food	0	0	0
60260 Education and Training	47,530	0	47,530
60270 Local Travel and Mileage	1,243,600	0	1,243,600
60280 Insurance	42,102,652	0	42,102,652
60290 External Data Processing	0	0	0
60310 Drugs	5,312,240	0	5,312,240
60320 Refunds	5,300	0	5,300
60330 Claims Paid	25,792,083	61,677	25,853,760
60340 Dues and Subscriptions	56,280	0	56,280
60350 Indirect Costs	0	0	0
60355 Departmental Indirect	0	0	0
60370 Telephone	48,224	0	48,224
60380 Data Processing	222,541	0	222,541
60390 PC Replacement	0	0	0
60410 Motor Pool	5,689	0	5,689
60420 Electronics	0	0	0
60430 Building Management	484,438	0	484,438
60440 Other Internal	0	0	0
60460 Distribution/Postage	63,786	0	63,786
<b>Total Materials and Services</b>	<b>85,481,735</b>	<b>61,677</b>	<b>85,543,412</b>
60540 Other Improvements	0	0	0
60680	65,267	0	65,267
<b>Total Capital</b>	<b>65,267</b>	<b>0</b>	<b>65,267</b>
60470 Contingency	2,000,000	0	2,000,000
60560 Cash transfers	0	0	0
<b>Total Contingencies &amp; Transfers</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>
60480 Unappropriated Fund Balance	21,868,000	0	21,868,000
<b>Fund Total:</b>	<b>114,847,695</b>	<b>61,677</b>	<b>114,909,372</b>

# Supplemental Budget

# Financial Summary

<b>General Fund</b>			
	<b>FY 2011 Adopted Budget</b>	<b>This Action</b>	<b>FY 2011 Revised Budget</b>
<b><u>Resources</u></b>			
Intergovernmental: Local Operations	2,982,768	273,000	3,255,768
Cash Transfer Revenue	3,011,000	387,957	3,398,957
Indirect Revenue	9,832,672	242,539	10,075,211
Personal Income Tax	200,000	1,300,000	1,500,000
All Other Revenues as Adopted	<u>377,221,462</u>	<u>0</u>	<u>377,221,462</u>
<b>Total Resources</b>	<b>393,247,902</b>	<b>2,203,496</b>	<b>395,451,398</b>
<b><u>Requirements</u></b>			
Personnel	214,949,435	233,404	215,182,839
Materials & Supplies	120,763,244	1,531,115	122,294,359
All Other Expenditures as Adopted	<u>57,535,223</u>	<u>438,977</u>	<u>57,974,200</u>
<b>Total Expenditures</b>	<b>393,247,902</b>	<b>2,203,496</b>	<b>395,451,398</b>
<b>Total Requirements</b>	<b>393,247,902</b>	<b>2,203,496</b>	<b>395,451,398</b>
<b>Animal Services</b>			
<b><u>Resources</u></b>			
Beginning Working Capital	552,873	387,957	940,830
All Other Revenues as Adopted	<u>2,138,500</u>	<u>0</u>	<u>2,138,500</u>
<b>Total Resources</b>	<b>2,691,373</b>	<b>387,957</b>	<b>3,079,330</b>
<b><u>Requirements</u></b>			
Cash Transfer	1,850,000	387,957	2,237,957
All Other Expenditures as Adopted	<u>841,373</u>	<u>0</u>	<u>841,373</u>
<b>Total Expenditures</b>	<b>2,691,373</b>	<b>387,957</b>	<b>3,079,330</b>
<b>Total Requirements</b>	<b>2,691,373</b>	<b>387,957</b>	<b>3,079,330</b>
<b>Federal-State Fund</b>			
<b><u>Resources</u></b>			
Beginning Working Capital	986,116	4,949,300	5,935,416
All Other Revenues as Adopted	<u>276,808,142</u>	<u>0</u>	<u>276,808,142</u>
<b>Total Resources</b>	<b>277,794,258</b>	<b>4,949,301</b>	<b>282,743,558</b>
<b><u>Requirements</u></b>			
Personnel	143,895,989	0	143,895,989
Materials & Supplies	133,736,168	4,949,300	138,685,468
All Other Expenditures as Adopted	<u>162,101</u>	<u>0</u>	<u>162,101</u>
<b>Total Expenditures</b>	<b>277,794,258</b>	<b>4,949,300</b>	<b>282,743,558</b>
<b>Total Requirements</b>	<b>277,794,258</b>	<b>4,949,300</b>	<b>282,743,558</b>
<b>Inmate Welfare Fund</b>			
<b><u>Resources</u></b>			
Beginning Working Capital	100,000	76,600	176,600
All Other Revenues as Adopted	<u>1,284,015</u>	<u>0</u>	<u>1,284,015</u>
<b>Total Resources</b>	<b>1,384,015</b>	<b>76,600</b>	<b>1,460,615</b>
<b><u>Requirements</u></b>			
Materials & Supplies	606,229	76,600	682,829
All Other Expenditures as Adopted	<u>777,786</u>	<u>0</u>	<u>777,786</u>
<b>Total Expenditures</b>	<b>1,384,015</b>	<b>76,600</b>	<b>1,460,615</b>
<b>Total Requirements</b>	<b>1,384,015</b>	<b>76,600</b>	<b>1,460,615</b>

<b>Special Operations Fund</b>				
<u>Resources</u>				
Beginning Working Capital	805,889	94,356	900,245	
Donations: Operations	2,000	35,000	37,000	
All Other Revenues as Adopted	<u>7,388,925</u>	<u>0</u>	<u>7,388,925</u>	
<u>Total Resources</u>	8,196,814	129,356	8,326,170	
<u>Requirements</u>				
Materials & Supplies	2,473,089	122,574	2,595,663	
All Other Expenditures as Adopted	<u>5,723,725</u>	<u>6,782</u>	<u>5,730,507</u>	
<u>Total Expenditures</u>	8,196,814	129,356	8,326,170	
<u>Total Requirements</u>	8,196,814	129,356	8,326,170	
<b>Risk Fund</b>				
<u>Resources</u>				
Insurance Service Reimbursements	55,424,464	61,677	55,486,141	
All Other Revenues as Adopted	<u>59,423,231</u>	<u>0</u>	<u>59,423,231</u>	
<u>Total Resources</u>	114,847,695	61,677	114,909,372	
<u>Requirements</u>				
Claims Paid	25,792,083	61,677	25,853,760	
All Other Expenditures as Adopted	<u>89,055,612</u>	<u>0</u>	<u>89,055,612</u>	
<u>Total Expenditures</u>	114,847,695	61,677	114,909,372	



**MULTNOMAH COUNTY  
AGENDA PLACEMENT REQUEST  
BUDGET MODIFICATION**

(revised 08/02/10)

**Board Clerk Use Only**

Meeting Date: \_\_\_\_\_

Agenda Item #: \_\_\_\_\_

Est. Start Time: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

**BUDGET MODIFICATION: DA 2011 - 01**

**Agenda Title: BUDGET MODIFICATION # Request to appropriate \$60,000 in funding from the City of Portland for the Service Coordination Team.**

*Note: For all other submissions (i.e. Notices of Intent, Ordinances, Resolutions, Orders or Proclamations) please use the APR short form.*

<b>Requested Meeting Date:</b>	_____	<b>Amount of Time Needed:</b>	5 minutes
<b>Department:</b>	District Attorney	<b>Division:</b>	Felony
<b>Contact(s):</b>	Scott Marcy		
<b>Phone:</b>	503-988-3863	<b>Ext.:</b>	_____
		<b>I/O Address:</b>	101/600
<b>Presenter Name(s) &amp; Title(s):</b>	Scott Marcy		

**General Information**

**1. What action are you requesting from the Board?**

Request the Board appropriate funds from the City of Portland in the amount of \$60,000 for the purpose of funding a .5 FTE Deputy DA position in the Drug Unit of the Felony Division of the District Attorney's Office. Program Offer 15008.

**2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.**

The Service Coordination Team (SCT) was established by the Portland Police Bureau in 2003 to address chronic public safety issues in Portland's Downtown/Old Town neighborhoods. The Bureau determined that the majority of crimes in those areas were being committed by a small concentration of long time drug addicts who were committing drug and property crimes to feed their addiction. The SCT was formed with the underlying premise that if the drug addiction was eliminated, the criminality associated with supporting it would decrease as well.

**Budget Modification APR  
Submit to Board Clerk**

These were  
dropped off -  
all the signatures  
are on it. He  
said you have  
the e-copy of it.



Many SCT clients have been arrested over 100 times and have been committing crimes and using drugs as early as grade school. Most have had long periods of incarceration. This client population typically does not fare well in traditional treatment models and is considered one of the most difficult to serve. In addition to addiction and criminality, mental health issues are frequently present. The SCT treatment program is designed to address all three issues as a path to recovery – drug addiction, criminality and mental health.

The program began in 2003 and has been fully funded with treatment and housing services since July, 2008. Since then, over 200 clients have received some level of service, from temporary housing to intensive six-eight month treatment. 87 have received drug treatment services and 26 of them have completed the entire treatment program, including wrap-around services for employment and permanent housing.

The program has played a role in significantly reducing crime in the impacted neighborhoods. Since 2005, the impacted neighborhoods have experienced a 32% decrease in crime. The overall average arrest rate among the client population has been reduced by 36% since 2006, with 63% of the offenders having had decreases in bookings. Using an average arrest and incarceration record, the 26 graduates represent a collective total of 1840 arrests and 354 years of incarceration. The criminal justice costs associated with processing and incarcerating these people are enormous, with the jail beds alone costing over \$20,000,000.

This budget modification recognizes an amendment of the IGA between the City and County that extends funding for the Deputy DA position in the amount of \$60,000 and reduces that to a half-time position.

**3. Explain the fiscal impact (current year and ongoing)**

This impacts only the current year funding by increasing the local funds for the DA office by \$60,000.

**4. Explain any legal and/or policy issues involved.**

none

**5. Explain any citizen and/or other government participation that has or will take place.**

Funds supplied by the City of Portland Police Bureau..



## ATTACHMENT A

### Budget Modification

If the request is a **Budget Modification**, please answer all of the following in detail:

- **What revenue is being changed and why? If the revenue is from a federal source, please list the Catalog of Federal Assistance Number (CFDA).**  
The general fund is increased by \$60,000
- **What budgets are increased/decreased?**  
The DA Office program offer 15008 Drug/Vice unit budget is increased by \$60,000.
- **What do the changes accomplish?**  
Maintains a halftime Deputy DA position working with the Service Coordination Team.
- **Do any personnel actions result from this budget modification? Explain.**  
Adds .5 FTE Deputy DA 2 to Program offer 15008 Drug/Vice Unit.
- **If a grant, is 100% of the central and department indirect recovered? If not, please explain why.**  
n/a
- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**  
This is revenue for the current year only. It is unknown if funding will continue.
- **If a grant, what period does the grant cover? When the grant expires, what are funding plans? Are there any particular stipulations required by the grant (i.e. cash match, in kind match, reporting requirements etc)?**  
n/a

*NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.*

## ATTACHMENT B

**BUDGET MODIFICATION: DA 2011-01**

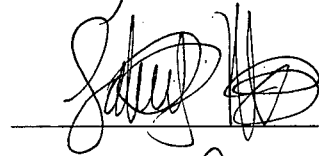
### Required Signatures

**Elected Official or  
Department/  
Agency Director:**



**Date:** 12-29-10

**Budget Analyst:**



**Date:** 1/6/2011

**Department HR:**



**Date:** 12/29/10

**Countywide HR:**

\_\_\_\_\_

**Date:** \_\_\_\_\_

**Budget Modification APR  
Submit to Board Clerk**

Budget Modification ID: **DA 2011-01****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2011

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Internal Order	Cost Center	WBS Element						
1	15-10	1000	15008	50			DA Chop	60000	-	38,250	38,250		permanent
2	15-10	1000	15008	50			DA Chop	60130	0	12,427	12,427		salary related
3	15-10	1000	15008	50			DA Chop	60140	0	9,323	9,323		insurance
4	15-10	1000	15008	50			DA Chop	50200	0	(60,000)	(60,000)		local revenue
5	72-10	3500		20		705210		50316	0	(9,323)	(9,323)		ins. Revenue
6	72-10	3500		20		705210		60330	0	9,323	9,323		ins. Expense
7													
8													
9										0			
10										0			
11										0			
12										0			
13										0			
14										0			
15										0			
16										0			
17										0			
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19										0			
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21										0			
22										0			
23										0			
24										0			
25										0			
26										0			
27										0			
28										0			
29										0			
											0	0	Total - Page 1
											0	0	GRAND TOTAL

**ANNUALIZED PERSONNEL CHANGE**Change on a full year basis even though this action affects only a part of the fiscal year (FY).

							ANNUALIZED			
Fund	Job #	HR Org	CC/WBS/IO	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
1000	6252	60178	DA Chop	Deputy DA 2	712848	0.50	38,250	12,427	9,323	60,000
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
TOTAL ANNUALIZED CHANGES						0.50	38,250	12,427	9,323	60,000

**CURRENT YEAR PERSONNEL DOLLAR CHANGE**Calculate costs/savings that will take place in this FY; these should explain the actual dollar amounts being changed by this Bud Mod.

							CURRENT YEAR			
Fund	Job #	HR Org	CC/WBS/IO	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
1000	6252	60178	DA Chop	Deputy DA 2	712848	0.50	38,250	12,427	9,323	60,000
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
TOTAL CURRENT FY CHANGES						0.50	38,250	12,427	9,323	60,000



Marina BAKER &lt;marina.baker@multco.us&gt;

## McKeel Absence

Sean FILES &lt;sean.files@multco.us&gt;

Wed, Jan 5, 2011 at 12:14 PM

To: Marina BAKER &lt;marina.baker@multco.us&gt;

Cc: Lynda Grow &lt;lynda.grow@multco.us&gt;

She will be calling in and participating via telephone. I am not sure if she will use her phone or a different cell so I'll get you the cell# as soon as we determine that (i.e. very soon).

On Wed, Jan 5, 2011 at 11:42 AM, Marina BAKER <marina.baker@multco.us> wrote:

Hi Sean,

I checked my inbox and didn't see an excuse memo for Commissioner McKeel. Lynda doesn't seem to have one either.

Could you please send it to us so we have it for the record?

Thanks!

Marina

—  
Marina Baker, Assistant Board Clerk  
Multnomah County Commissioners  
501 SE Hawthorne Blvd., Ste. 600  
Portland, OR 97214-3587

Phone & Voice Mail: 503-988-3277

View our Agenda and Board Packets at:

<http://www.co.multnomah.or.us/cc/agenda.shtml>

*Handwritten notes:*  
Drew Cell # 541 292-2930  
Diane McKeel cell 72 choice 503 720 0704  
Sean's Cell is 503 887 6508

### Sean Files

Policy Analyst & Constituent Relations Liaison

Commissioner Diane McKeel, District 4

503-988-5213

503-988-5262 (fax)

[sean.files@multco.us](mailto:sean.files@multco.us)

[www.multco.us/cc.ds4](http://www.multco.us/cc.ds4)



ExcuseMemo.1.11.11.doc

59K