



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

Friday, February 18, 2000
MSG 2000-014

MEMORANDUM FOR: Human Resources Directors

FROM: JANICE R. LACHANCE DIRECTOR ...signed February 15, 2000

Subject: Guidance for Implementing the President's Memorandum Reaffirming Executive Order 12871

On October 28, 1999, the President signed a Memorandum reaffirming his commitment to labor-management partnership and the goals of Executive Order 12871. The President called on federal agencies to develop a plan with their unions for implementing his Memorandum and the Executive Order. The President also directed agencies to report on the nature and extent of their efforts to achieve the goals established by the Memorandum and the Executive Order.

These reports must be submitted to the Office of Management and Budget by April 14, 2000. The Office of Personnel Management is responsible for analyzing the reports and, in coordination with OMB, advising the President on further steps that might be needed to help promote the development of genuine labor-management partnerships.

To help agencies and unions meet both the reporting and planning requirements set forth in the President's Memorandum, OPM is issuing the [attached Guidance](#). If you have any questions about the Guidance or the President's Memorandum, please contact Jeffrey Sumberg, Director of the Office of Labor and Employee Relations, at (202) 606-2639 or at jsumberg@opm.gov.

Guidance for Implementing the President's Memorandum

Reaffirming Executive Order 12871

Introduction

In 1993, President Clinton signed Executive Order 12871 to support the reinvention of government by improving federal labor-management relations. The President called for the creation of labor-management partnership councils throughout government and established the National Partnership Council to promote labor-management cooperation in the Executive Branch.

On October 28, 1999, the President signed a Memorandum reaffirming both the Executive Order and his "strong commitment" to labor-management partnership. The President called on federal agencies to develop a plan with their unions for implementing the Memorandum and the Executive Order. The President also directed agencies to report on the nature and extent of their efforts to achieve the goals established by the Memorandum and the Executive Order. This report must be submitted to the Office of Management and Budget by April 14, 2000, and annually thereafter.

The Office of Personnel Management has been charged by the President with analyzing these partnership reports and, in coordination with the Office of Management and Budget, advising the President on further steps that might be needed to help promote the development of genuine labor-management partnerships. OPM has prepared this Guidance to help agencies and unions meet the reporting and planning requirements set forth in the President's Memorandum.

Reporting Requirements

What is the general format for the report to the President due by April 14, 2000?

Each report should contain two parts:

- An assessment of the progress your agency is making toward achieving the goals of EO 12871 and the President's Memorandum
- A copy of your agency's labor-management plan or, if no plan has yet been developed, a description of your agency's labor-management planning activities

What should be included in the progress assessment?

Agencies should describe the nature and extent of their efforts to achieve the objectives of the Executive Order and the President's Memorandum. You should include information from all appropriate levels of recognition in your agency. Remember that reports *must* be prepared with union involvement and input.

OPM suggests that agencies and unions use the following three-part format for the progress assessment. This is meant to be a general framework for analyzing your progress in partnership.

We urge you to work with your union to develop a format that best expresses the nature and scope of your progress so far.

1. Labor-Management Goals

Labor and management often jointly establish goals or objectives, which they hope to achieve through partnership. These are often found in partnership agreements, collective bargaining agreements, or other jointly developed memoranda. Please describe any such goals or objectives that have been developed with the union or unions at your agency.

2. Steps Taken Towards Achieving the Objectives of EO 12871 and Memorandum

Please describe the specific steps that your agency and union have taken or plan to take to achieve the goals of Executive Order 12871 and the President's Memorandum. At a minimum, you should report on your agency's progress toward achieving the five directives in Section 2 of the Executive Order, which are listed below. Of course, this list is not exhaustive. If there are other activities that are helping to create genuine labor-management partnerships at your agency, please describe them.

- Create labor-management partnerships by forming labor-management committees or councils at appropriate levels to help reform Government
- Involve employees and their union representatives as full partners to identify problems and craft solutions to better serve the agency's customers and mission
 - Provide training for line managers, first line supervisors, union representatives who are Federal employees, and other appropriate employees in consensual methods of dispute resolution, such as alternative dispute resolution and interest-based bargaining approaches
 - Negotiate over the subjects in 5 U.S.C. Section 7106(b)(1), and instruct subordinate officials to do the same
 - Evaluate progress and improvements in organizational performance resulting from labor-management partnership

3. Results and Accomplishments

Please describe any results that your agency has achieved through partnership. These could include both bottom-line improvements in organizational performance and positive changes in the nature of labor-management relations. Provide any supporting data or other evidence that you might have gathered. Here are examples of what we're looking for:

- *Customer Service*
How has partnership improved customer service or satisfaction?
- *Quality*
How has partnership improved the overall quality of key products and services?
- *Productivity and Efficiency*
How has partnership improved productivity or efficiency within the organization, organizational subunit, or workgroup?
- *Cost Savings and Cost Avoidance*
How has partnership saved taxpayer dollars (i.e., through improvements in customer service, quality, productivity, or efficiency)? How has partnership cut the cost of labor-

management conflict (i.e., through fewer ULPs, grievances, arbitrations, or other types of labor-management disputes)?

- *Quality of Worklife*

How has partnership improved workplace safety and health? Helped create a family-friendly work environment? Improved communications among managers, supervisors and employees?

- *Labor-Management Relations*

How has partnership improved the relationship between labor and management (i.e., greater respect and trust between union and management; greater cooperation; clear commitment to partnership from management and union leaders)?

What level of detail is required for the report to the President?

There is no one-size-fits-all answer to this question. Some agencies have a single union with national recognition. Others have many unions at a local level of recognition. There are many more variations in union recognition patterns from agency to agency.

What's most important is that your report offers an honest and accurate assessment of your agency's progress towards achieving the goals of Executive Order 12871 and the President's Memorandum. To accomplish this, your report should provide at least some details about the progress being made at different levels of the organization, from the national down to the local. We ask that you work with your union or unions on a reliable and sensible way to report your agency's progress.

What is the reporting period that should be used for the progress assessment?

It depends. Labor-management relationships are dynamic and often change over time. Your progress assessment should cover as much history as necessary to give an accurate and credible account of where your agency's labor-management relationship has been, how far it has come, and what kind of results your agency has achieved.

Planning Requirements

The President also called for joint labor-management plans aimed at implementing his Memorandum and Executive Order 12871. What is a labor-management plan?

Joint planning offers the union and management an important opportunity to discuss how they will implement Executive Order 12871 and how they will work with each other to improve labor-management relations, solve workplace problems, and improve agency performance. In other words, the President is asking labor and management to prepare a plan that can help the agency and its employees deliver the highest quality service to the American people.

How should we report our planning activities to the President?

If your agency and union have already developed a labor-management plan, please include a copy of that plan with your report to OMB, due on April 14, 2000.

If you have begun to work on a labor-management plan but are not finished, describe the work done so far and indicate when you expect to finish. Submit this information with your report to OMB.

Finally, if you have not begun to develop a labor-management plan, OPM has prepared the following general guidance to help agencies and unions get started.

What are the elements of an effective labor-management plan?

The essentials of a labor-management plan can vary, but most plans contain the following elements:

VISION OR MISSION STATEMENT: Developing a vision or mission statement typically is the first step of a strategic planning process. The vision sets out the reasons that labor and management have decided to plan together and the results they hope to achieve. None of the subsequent steps will matter very much if labor and management cannot agree in which direction they are headed.

ENVIRONMENTAL ANALYSIS: Once the vision is clearly identified, labor and management should analyze their external and internal environment. For example, budget limitations, workforce changes, or mandates from the Administration or Congress are all environmental factors that can have an impact on the ability of labor and management to achieve their goals.

STRATEGIC ISSUES: Strategic issues are the fundamental challenges that confront labor and management. Identifying these issues is at the heart of labor-management planning. Issues typically fall into three main categories: those that need immediate attention; those that require action in the near future; and those that don't require attention now but should be monitored over time.

STRATEGIC ACTION: Labor and management should develop a set of commonly understood, clearly articulated steps that will help them address their strategic issues and achieve their goals. These action steps define *how* you get to where you want to go. As noted below, the requirements in Section 2 of Executive Order 12871 should be addressed in *all* labor-management plans.

EVALUATION: Periodic evaluation of strategies, tactics, actions and results are essential to good planning. The aim is to find out what worked and what did not work - and why - and to set the stage for future planning.

Are there strategic action steps that all labor-management plans should contain?

Yes. Labor and management should, at a minimum, develop action steps aimed at achieving all five directives in Section 2 of Executive Order 12871. These are:

- Create labor-management partnerships by forming labor-management committees or councils at appropriate levels to help reform Government
- Involve employees and their union representatives as full partners to identify problems and craft solutions to better serve the agency's customers and mission
- Provide training for line managers, first line supervisors, union representatives who are Federal employees, and other appropriate employees in consensual methods of dispute resolution, such as alternative dispute resolution and interest-based bargaining approaches
- Negotiate over the subjects set forth in 5 U.S.C. 7106(b)(1), and instruct subordinate officials to do the same
- Evaluate progress and improvements in organizational performance resulting from labor-management partnership.

How do we get started on a labor-management plan?

First, identify the people that need to be involved in putting together a labor-management plan; for example, the partnership council, other labor-management representatives, or some combination of both groups.

Second, identify resources, both internal and external, that will be required to support the development of a successful labor-management plan. The President has asked agencies to "aggressively seek training, facilitation, and mediation assistance that can help foster an environment where partnerships can succeed and thrive." It makes sense to get training on strategic planning and problem solving to help develop your labor-management plan. In addition, both labor and management can benefit from training that helps them understand the business side of an agency's operations, including budget matters.

Finally, decide on the time period that your plan will cover. A typical labor-management plan might cover one year and be revised as needed in subsequent years.

What is the relationship between my agency's strategic plan and a labor-management plan?

All federal agencies are now required by the Government Performance and Results Act of 1993 (GPRA) to prepare strategic plans. It makes sense to develop your labor-management plan in conjunction with your agency's strategic plan. This is especially important since the President's Memorandum calls on labor and management to make "every effort to develop a [labor-management] plan that helps the agency and its employees deliver the highest quality service to the American people." Labor and management can more effectively work toward achieving the agency's goals if they develop their plan with the agency's strategic plan in mind.

The President asks for labor-management plans to be developed at "appropriate levels of recognition." What does this mean?

Generally, this means the bargaining unit level. If the recognition at your agency is at the national level, you should work with the union to incorporate local concerns and views into the national labor-management plan. The important point is for union and management representatives, at the levels where the work is done and important decisions are made, to meet

with each other and plan how they will form or strengthen their partnership and carry out the provisions of Executive Order 12871 and the President's Memorandum.

Summary

What exactly should be included in my agency's report to the President?

This is what your report should contain:

- **An assessment of your agency's progress toward achieving the goals of EO 12871 and the President's Memorandum**
- **A copy of your labor-management plan or, if no plan has yet been developed, a description of labor-management planning activities at your agency**
- **Relevant supporting documents (i.e., partnership agreements or other documents that support your findings and the results your agency has achieved)**

Where should I submit my report?

Please submit your report and Please provide a copy to:

any supporting documents to:

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