Organizational Change at SEIU

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1996–2009

From the authors

Since the election of Andy Stern in 1996, SEIU has doubled its membership, built a powerful political machine, and become a major force for progressive change. This did not happen by accident. Stern and his supporters started with a strong foundation, a strategic direction, and a vision for what the union could become and then took action to change both their organization and the strategies they pursued. Their commitment to take on established orthodoxy, make tough choices and confront obstacles—as well as a history of going their own way in pursuing controversial strategies to gain members and power—has made them both the hope and the lightning rod of the labor movement.

Reflecting on the enormity of the changes they had made, the leaders of SEIU decided to commission an independent study of their organization from the time the current administration took office to the present. We took on that task in 2006 and completed it in the summer of 2009. We took our charge very seriously. We looked below the surface of publicly available information to speak candidly with more than 150 leaders and staff at the International and seven different locals and looked closely at hundreds of original documents. While the locals we visited came from all regions of the country and divisions of the union, they still represent a small subsample of even the major locals of the union. We also did not survey or interview members (except for member-leaders in some locals). Our findings should be read with both of these limitations in mind.

It is our aspiration that those who pick up this report will do so with a spirit of inquiry—not to affirm what they already believe, good or bad. If this report serves its purpose, it will not be the final word on organizational change at SEIU, but an invitation to a dialogue on the future of this union and by extension, the labor movement at large.

We are very grateful to all of those who shared their experiences and personal insights with us and to those who facilitated our access to people and materials.

In solidarity,

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TABLE OF CONTENTS

CHARTS AND GRAPHS

SECTION 1

THE TRANSFORMATION OF SEIU

Over the past 12 years, SEIU has grown from representing 1.1 million workers to 2.1 million during a period when most unions were declining in membership; the union's political fundraising arm has gone from small by union standards to become one of the largest nonparty PACs in the United States; political spending went from less than $5 million in 1996 to $85 million in the 2008 election; the union has brought hundreds of thousands of workers with low wages and no benefits to union representation and has won substantial improvements in their standard of living. It has gone from "SEI-who?" to one of the most recognizable unions in North America.

At the same time as it has gained in power and visibility, SEIU has not shied away from controversy. In 2005, SEIU led six other unions in a break from the AFL-CIO to form a new federation, Change to Win. Following a series of high profile trusteeships, the International took over its largest local on the West Coast and removed the elected president. It got involved in the breakup of a sister union, UNITE HERE, and to the consternation of its labor allies, affiliated the former UNITE membership. In some cases, controversy found SEIU, such as when several leaders close to the administration were found to have ethics problems and were removed from office. What is clear to all observers is that leaders at SEIU are willing to act aggressively to make changes they believe are necessary, even when they are risky or unpopular.

For those who wonder if North American labor unions can turn the corner and be a force for change in the new millennium, SEIU is a union to watch. On the first Labor Day under a pro-union president of the United States, SEIU is investing heavily in changing the laws under which unions have operated for 60 years, is actively supporting progressive organizations and unions around the globe, and is continuing to change its structures and systems to position itself for the future. What follows is a closer examination of the union's process of change: how it started, the principles and practices that have guided its transformation, the evolution of its strategy and models, and the lessons and challenges that have emerged from its experience of change.

THE ROOTS OF CHANGE

The summer of 1996 was a watershed moment for the Service Employees International Union. Much admired President John Sweeney had moved to the presidency of the AFL-CIO, and two competing visions of the future were contesting for control of the union. After a short but spirited campaign, Andy Stern, the former organizing director, was elected International president of SEIU by an overwhelming margin, and he and his fellow officers returned to Washington, D.C., with a mandate to grow the union. They were taking the reins of an organization that already had a reputation as an organizing union. There was a strong foundation, a legacy, in large part, of the Sweeney years.

When Sweeney became president in 1980, he inherited a national office with less than 50 staff and a $2 million annual budget for organizing.

In 1980, Sweeney became president of an International Union that had, thanks to its prior president, George Hardy, grown significantly (from 480,000 in 1972 to 650,000 in 1980). Sweeney led a pro-organizing reform agenda that accelerated that growth to hit the 1 million mark by 1992. For all the changes that Sweeney was able to make, a culture of strong local autonomy and decentralization remained; a culture that reflected the historic employer structure in the building service industry where SEIU began, and the affiliation agreements with public employee associations that made up almost half the membership.

When Sweeney became president in 1980, he inherited a national office with less than 50 staff and a $2 million annual budget for organizing. He recruited a talented national staff to direct programs in organizing, health and safety, research, collective bargaining and education, some of whom are current leaders in the union. Sweeney also created formal division structures to coordinate the union's work in specific industries and increased resources and emphasis on organizing. At all levels, talented social movement organizers were welcomed into the union and became important leaders and pioneered significant strategies. International staff and local leaders had had formative experiences in 9 to 5/the National Association of Working Women, the United Farm Workers and its national grape boycott, community organizing groups such as ACORN and its affiliated United Labor Unions and early corporate campaigns like JP Stevens. By the mid 1990s, SEIU had reached one million members, the Justice for Janitors campaign was capturing national headlines, and the International Union was devoting 20 percent of its budget—$13 million a year—to new organizing.

However, while some SEIU locals were organizing aggressively, most were not. Of the 370 SEIU locals in 1992, only 24 had full-time organizing directors and together they spent less than 5 percent of their budgets on new organizing. In 1993, to address these and other crucial issues facing the union, Sweeney named 20 locally elected officers to the Committee on the Future, choosing emerging leaders and others with a track record in organizing. The committee spent two years reviewing the economic and political environment, analyzing the union, and preparing recommendations to the Convention to be held in Chicago in June 1996.

"When Sweeney announced his run for the AFL-CIO presidency, the old guard picked their heads up and decided to try to take things back to where they were."

As the Committee on the Future was finishing its work, a coalition of unions demanding change at the AFL-CIO asked John Sweeney to be their candidate for president of the federation. Sweeney accepted and won the post in the fall of 1995; taking many senior staff from SEIU with him to the AFL-CIO. Although always supportive of the organizing agenda, Sweeney surprised many by leaving without naming Stern, the heir apparent, as his successor. Instead, International Secretary-Treasurer Dick Cordtz became the interim president and quickly announced his intention to run for president. To many, Cordtz represented a move back to a more traditional union, with greater local autonomy and a weaker commitment to organizing. One of his first moves was to fire Stern.

Stern and his supporters then mounted an election campaign with a platform to fully adopt the recommendations of the Committee on the Future, particularly focusing on shifting both International and local union spending toward organizing and growth. The Stern slate traveled the country, building support for their election and the changes that would come with it. Stern decided to make the campaign a referendum on a commitment to organizing, and asked his supporters to sign a pledge that they would commit first 10 percent, then 15 percent, then 20 percent of their resources to organizing over the next four years. When it became clear to Cordtz that he could not win, he withdrew his name, and Stern was elected president in June 1996. The Convention delegates adopted the Committee's "Bold Action" recommendations.

"The big change in the union is that our ambitions are now an order of magnitude beyond what they were before and we have a serious plan to get there. All else is commentary."

For SEIU's new leaders, the key to reversing the decline in the standard of living of American workers was a reinvigorated labor movement. They were convinced that unions, "the best anti-poverty program in the country," had to grow in order to make a difference. But from their experience during the Sweeney years they had come to believe that the key was not merely growth, but growth that increased union density within specific industries, markets and political jurisdictions. Whether in bargaining with multinational employers or fighting for progressive public policy such as national healthcare reform, the leadership saw a connection between growing membership, building power and achieving its vision of social justice.

But they also saw there were barriers to growth and success in the union's own structure, resource allocation and culture. They knew that getting a decentralized and highly political organization to change would not be easy. They saw in the work of the Committee on the Future a way to build consensus and momentum for difficult decisions and wrenching change. Starting with "Bold Action" and continuing for the next 12 years, SEIU members and leaders transformed the organization to get bigger and build power for working people.

There was nothing easy or foreordained about the changes at SEIU. Along the way, there were many times when leaders were faced with doubts, fear, opposition and discord. According to Stern, the changes weren't a "process," they were "a series of decisions." The union's leaders believed the state of the labor movement and conditions

for working people created an urgent need to make bold decisions. A new generation had taken the reins and they felt the weight of history in the opportunity in front of them. In the words of one leader from that time, "you get that shot to get killed or thrive and that was our moment."

The Stern team began its first term with hundreds of organizers and researchers who knew what it took to campaign and win, and a growing cadre of elected leaders and staff who believed the union had to grow dramatically to build power and improve the lives of working people. To show its commitment, the new leadership directed that headquarters telephones were to be answered with the phrase "SEIU, the organizing union."

SECTION 2

A CULTURE OF CONTINUOUS CHANGE

For SEIU, the four-year Convention cycle is the central mechanism for driving organizational change throughout the union. As the highest decision-making body of the union, the Convention is a unique opportunity to consider and adopt ambitious goals and the internal changes needed to achieve them. The path to the adoption of a new Convention platform begins at least two years before the event itself. Each Convention planning process is different, but for the past four Conventions it has included the creation of one or more committees of elected leaders who address the challenges and opportunities facing the union and develop recommendations for new goals, standards and structures.

> *"I would say all the pre-Convention campaigns made people second guess firmly held beliefs and assumptions that we held very dear."*

The committee process is an important mechanism for opening the organization to new ideas and new directions and then creating consensus around a direction that requires changes in the status quo. The ideas developed in the committees are also debated by the officers, IEB, division steering committees, in local executive board meetings and other member forums around the country before being finalized. In several cases, the officers have held regional town hall meetings to review the emerging platform with members and local leaders. The process, while not orderly or easy, has succeeded at creating momentum and excitement around the proposed changes. By the time of the Convention itself, while some may oppose individual elements of the program, the

overwhelming majority of the delegates are prepared to adopt an ambitious plan and, as importantly, have committed to carrying it out.

The cyclical nature of planning, adopting and implementing Convention platforms belies the bumpy road to the transformation of SEIU. Some changes had wide support, while others seemed unthinkable when they were first proposed. The proposal in 2000 to significantly raise per capita over a four-year period, for example, created upheaval as local leaders faced the prospect of taking the vote for dues increases to their members. "There were times you felt 'there's gonna be a revolt in the room,'" noted one leader. Changes that faced too much opposition were made voluntary, and some were never fully implemented. As important as the decision itself was the decision on how hard to push.

The atmosphere did change over time, however, both because of the track record of the union and because the changes that had already occurred laid the groundwork. There was an expectation of change. According to Anna Burger, after 2000, "We created confidence in our leadership and our membership that people could be counted on to take on big things."

Convention planning: 1996–2008

1996 CONVENTION: BOLD ACTION

The program approved during the 1996 Convention emerged from the work of the Committee on the Future. As candidate Stern travelled around the country to campaign for International President, he asked local leaders and members he met with to sign on to a series of recommendations. The centerpiece of the platform was an increased commitment to organizing. Local unions were to shift resources to organizing from 10 percent to 15percent to 20 percent of post per capita spending and to hire local union organizing directors and staff. The International pledged to raise its organizing budget from 20 percent to 50 percent of total spending.

Officers elected: Andrew Stern (President), Betty Bednarczyk (Secretary-Treasurer), Paul Policicchio, Patricia Ford, Eliseo Medina (Executive Vice Presidents)

**Note: In 1998, Betty Bednarczyk and Paul Policicchio stepped down as International Union officers. Anna Burger was chosen to be Secretary-Treasurer and Tom Woodruff Executive Vice President.*

2000 CONVENTION: NEW STRENGTH UNITY

In 1998, Stern formed the President's Committee 2000 (PC2K), which was made up of 20 local leaders representing different divisions and locals of different sizes. These

leaders were asked to devise ways for SEIU to achieve dramatic, nonincremental growth. Over a two-year period, the PC2K met with thousands of members at regional town hall meetings, visited dozens of locals, and involved more than 100 leaders in subcommittees. The recommendations became the New Strength Unity platform, the major elements of which were a significant increase in revenue to locals and the International through dues increases, the creation of national unity funds that would be used to run national industry campaigns with local unions, and commitments to restructure locals and the International Union along industrial lines.

Officers elected: Andrew Stern (President), Anna Burger (Secretary-Treasurer), Pat Ford, Eliseo Medina, Tom Woodruff (EVPs)

2004 CONVENTION: SEVEN STRENGTHS

Prior to the 2004 Convention, there were various planning committees, including a resource committee, evaluating the progress of the New Strength Unity commitments. Shortly before the Convention, the emerging themes were organized into seven categories: local, industry, community, global, labor, political and national. This became the Seven Strengths platform and included increased accountability for spending on growth and politics, and a commitment to strengthen international alliances and multiunion organizing campaigns. At the Convention, Stern gave a speech calling on the AFL-CIO to make major changes. The disagreement ultimately resulted in the decision to leave the federation and create Change to Win.

Officers elected: Andrew Stern (President), Anna Burger (Secretary-Treasurer), Mary Kay Henry, Gerry Hudson, Eliseo Medina, Tom Woodruff (EVPs)

2008 CONVENTION: JUSTICE FOR ALL

The 2008 platform was developed through committees involving more than 100 elected leaders. The Organizing Review Committee had four subcommittees on organizing technologies, alternative models, global organizing and planning. An internal conflict sharpened the debate over the union's growth strategy and focused the administration's platform, which was named Justice for All to contrast with what they called the "Just Us" unionism of the opposition. Justice for All called for integrated organizing plans at all levels of the union, a commitment to increase member activism and leadership and a major mobilization of people and resources to elect Barack Obama president. Unionwide agreements on the structure of division governance and conduct of national employer relations were also approved.

*Officers elected: Andrew Stern (President), Anna Burger (Secretary-Treasurer), Mary Kay Henry, Annelle Grajeda, Gerry Hudson, Eliseo Medina, Dave Regan, Tom Woodruff (EVPs)**

**Note: in 2008, Annelle Grajeda resigned her EVP position; in 2009, Mitch Ackerman was added as an EVP and with the affiliation of Workers United, Bruce Raynor also became an EVP.*

CONVENTION DEBATE

SEIU's Conventions, like those of many unions, are highly orchestrated and tightly managed events. Despite this, debates and disagreements do occur. In 1992, under President Sweeney, a group of delegates calling themselves "Make the Best Better" campaigned for more transparency and more resources for organizing, ending up with 30 percent of the delegate vote. In 2008, a group led by United Healthcare Workers West [UHW] president Sal Rosselli campaigned for months against the "growth at any cost" program of the Stern administration. The Platform for Change called, among other things, for direct election of the president and increased local control. Although it was a highly public and contentious fight and influenced both the internal dialogue and direction of the union, in the end the "Platform for Change" received just 10 percent of the delegate vote, almost all from UHW.

IMPLEMENTATION OF CONVENTION DECISIONS

After the Convention ends, the union turns its attention to implementation. Immediately following the Convention, there is a planning phase that includes an officers' retreat to discuss the implications of what was decided. "We talk about what should be the structure for being able to do what we have committed to and we decide who is responsible for what," according to Secretary-Treasurer Anna Burger. "Waking up in the morning and knowing what you are focusing on really matters." The International Executive Board, Division Leadership Boards and local union governing boards also meet to discuss how they will carry out the platform. Burger described saying to the local leaders, "OK, we just adopted this program; what do you need from us to implement that? What should we do differently, less of, more of, to reach our goal in 2012?"

> *"Waking up in the morning and knowing what you are focusing on really matters."*

The International Union then takes action to align its own departments, programs and staffing to conform to the new priorities. At headquarters, both 1996 and 2008 involved painful layoffs, while 2000 and 2004 changes led to major restructuring and reassignment of staff. "One thing you can count on is that after every Convention there is going to be major upheaval as jobs and people get reoriented to the new priorities," noted one long-term staff member. "You can't get too comfortable with the status quo."

Many locals take action to meet the new standards because they believe they are right and want to make the changes they supported at the Convention. Compliance is not left to chance, however, and there are almost always accountability mechanisms built in. While enforcement can be uneven, all local leaders feel accountable through the division structure as well as the IEB. In these forums, leaders report on their progress in reaching

various standards, at times using a scorecard. As consensus builds over time, standards can move from voluntary to mandatory. According to Stern, "for us, accountability is a key essence of our success and a key issue that will always create tension in the union."

Setting measurable goals and tracking results lays the groundwork for the next round of evaluation, creating a culture of continuous change.

SECTION 3

ORGANIZATIONAL CHANGE

At the center of the transformation of SEIU over the past 12 years was a set of six internal organizational principles that were instrumental to achieving the union's goals. These highly interrelated concepts were developed over time and resulted in a dramatically restructured and re-engineered union at all levels:

- Increased resources at all levels of the union;
- Strengthened divisions for industry focus;
- Restructured local unions for industry focus and power;
- Leadership change;
- A single, unified identity; and
- New models of unionism at the local level.

For each area, following a general description of the principle, we provide a brief description of what the union looked like in 1996, what it looked like 12 years later, how SEIU got there, and major issues.

INCREASED RESOURCES

When President Stern took office in 1996, there was a growing discourse throughout the labor movement that more resources needed to go into organizing new members. Indeed, that was part of John Sweeney's platform when he ran for president of the AFL-CIO. Thus, one of the first thrusts of the Stern program was reallocating union spending toward organizing. By 2000, the Stern administration had concluded the drive to reallocate resources was not generating the funds they needed or expected. In fact, greater resources at all levels of the union were needed to accomplish the union's growth goals and to build the rest of the union's program.

From 2000 to 2008, SEIU Per Capita Tax revenue rose from $101 million to $247 million.

BEFORE

At the time Stern ran for president, about 27 percent of per capita taxes going to the International Union were being used for organizing (quite high in comparison to the rest of the labor movement). The dollar amount was $18.8 million. Stern campaigned for president on a pledge that number would shift to 50 percent. The division structures at the IU level had very small staff and limited program. Most of the union's dues revenue was tied up in the local unions; total local revenue in 1996 was $352 million, little of which was used for new organizing.

In the structure of SEIU at the time, about 80 percent of the dues stayed with the local unions. According to one International Union officer, "the local union was extremely important because that was where the majority share of the money was, that's where the bargaining power and members were, and nonunion workers were in the jurisdiction of the local unions. Everything you needed to run the organizing was at the local level." A local union leader explained, "prior to 1996, locals of SEIU had no guidelines on how they should grow, or what they should spend on organizing." Nor did the International typically know the details of local budgets.

12 YEARS LATER

12 years later, things had changed radically. The union's total revenue had grown tremendously as had the dollars spent on organizing. International Union Divisions were in control of substantial Unity Funds and locals were fully accountable to the IU for the portion of their budgets spent on organizing. In preparation for 2010, the union was creating an organizing plan that encompassed local and International funds, providing an even higher level of integration and accountability for the allocation of resources.

Growth in Revenue

Between 1996 and 2006, average local dues rose from $25.43 to $41.41 per month. SEIU membership had grown significantly, so more dues, at higher rates, were flowing into the union: between 1996 and 2006, combined annual local and International SEIU revenues increased more than 150 percent.

In 2000, the Convention created the Unity Funds to be administered by the divisions for industry campaigns. According to one IU officer, "the idea was to keep the local union program strong and growing while overlaying a national campaigns breakthrough piece." Starting in 2001, locals would pay $1 per member per month and an additional dollar each year until the Unity Fund payment reached $5 per member per month in 2005.

Prior to 2004, SEIU raised the per capita tax from $6.80 per member per month to $7.65 over five years, for a total of $12.65 per capita (including the $5 Unity Fund contribution) that each local paid to the International. In the 2004 and 2008 Conventions, SEIU did not raise the per capita or Unity Fund contributions, but continued to grow in revenues. From 2000 to 2008, SEIU Per Capita Tax revenue rose from $101 million to $247 million, an increase of 145 percent. For comparison's sake, Figure 1 below shows the increases in per capita dues revenue and membership of the four largest unions representing public sector workers in the United States, including SEIU. What is significant is that *all four unions* significantly increased the per member payment to the International Union. SEIU, who started with the lowest per capita, increased the most, and also grew the most.

Union		2000	2008	Change
AFSCME	Per capita Membership Per Member	107,998,768 1,300,000 $83.0	177,184,404 1,467,138 $120.8	+64 percent +13 percent +$37.8
AFT	Per capita Membership Per Member	95,686,317 706,973 $135.3	152,456,091 856,178 $178.0	+60 percent +21 percent +$42.7
NEA	Per capita Membership Per Member	221,985,292 2,530,000 $87.7	337,719,567 3,215,904 $105	+52 percent +27 percent +$17
SEIU	Per capita Membership Per Member	100,914,913 1,374,300 $73.4	247,328,224 1,807,635 $136.8	+145 percent +32 percent +$63.4

Figure 1: Increase in per capita tax revenue and membership of the six largest unions in the United States.

Source: LM-2

Funds for Organizing

The funds for organizing increased dramatically, through increased dues, greater membership, and, at all levels (International, divisional and local), a larger percentage of funds devoted to organizing than had ever been allocated before. In 2006 alone, $229 million was spent on organizing: $89 million from local union budgets, $75 million from Unity Funds and $65 million from the general fund of the IU. The union calculated that the locals and International combined spent $1.3 billion on organizing from 1997 to 2006. It further calculated that on the current trajectory it would spend another $1 billion between 2008 and 2012.

In accordance with the Justice for All resolution directing that there be one national organizing plan, $40 million of the IU budget that had previously been allocated to the divisions was brought back to the center to be used to support national priorities. In 2009, that priority was the passage of the Employee Free Choice Act and healthcare reform. For future years, a Growth Subcommittee of the Executive Committee was created to make recommendations for how that money should be spent.

Figure 2: IU Growth-Related spending (International Union, Unity Funds in millions), 1996—2006

Staffing

In 1996, one of the first actions of the new administration was to eliminate eight headquarters departments and transfer more than 50 staff into field organizer positions. The International named Tom Woodruff and Mary Kay Henry organizing directors and worked to implement the Bold Action platform that called for every local to hire an organizing director and staff organizers. The International's recruitment program, called the Wave, funneled hundreds of organizers from college campuses, the membership and other sources to work in local unions.

After 2000, with the creation of the Unity Funds, divisions hired organizers and strategic researchers and sent them into the field to work on national campaigns. While general subsidies were eliminated, local unions that agreed to run a piece of a national campaign could get the assistance of International staff organizers and leads. In 2004 there were more than 300 organizers working on the International payroll and hundreds more employed by local unions. In 2005, more than 600 organizers from around the country went to Illinois to help a local there win an election for 35,000 child care workers. Figure 4 shows the increase in International Union staff devoted to organizing from 1996 to 2007.

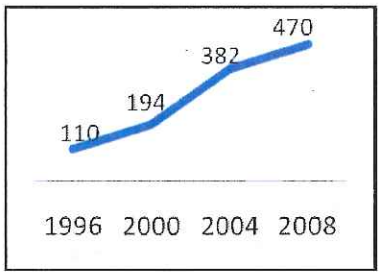

Figure 3: Number of growth-related staff 1996–2008 [campaign directors, organizers, researchers, capital stewardship, field communicators, community and administrative staff]

Following the 2008 Convention, SEIU shifted its policy away from expanding organizing capacity at the IU level. The union continued to operate its organizer recruitment and placement function, but in 2009, following the 2008 Convention commitment to comprehensive growth strategies, decided to lay off dozens of journey organizers. The Property Services Division, for example, went from having a sizable organizing team to deploy around the country to having a staff of less than 10, most of whom worked at headquarters.

HOW SEIU GOT THERE

Such a radical increase in both income and spending did not happen overnight. The first step was to reallocate resources. Many local union leaders who had pledged to increase the percentage of spending on organizing to 20 percent had to begin to categorize spending by program in their budgets and financial reports. SEIU wanted to ensure the dollars allocated to organizing would be used well. Written organizing plans and budgets were required, and guidelines were established that stipulated that only actual organizing expenses could be counted toward the 20 percent. These actual expenses included payroll for full-time organizers and real expenses for organizing, including communications, meetings and legal expenses. It excluded percentages of officers' salaries and office rent.

As part of the 10-15–20 program, local unions were asked to submit organizing plans and budgets annually to the IU. This was a major change given how little the IU typically knew about local budgets in the past. These budgets and plans were reviewed and tracked. To encourage locals to participate in the voluntary plan, the 1996 Convention adopted an amendment to the Constitution and Bylaws that stipulated a 25-cent per member per month rebate for those locals in compliance. According to one International staff person closely associated with the implementation of the 10-15-20 program, "The plans were really voluntary but if people wanted to get the rebates, they needed to complete the report. In any given year you would have 50 or 60 of the major locals completing them," which, while capturing 80 percent to 90 percent of the membership, still meant that 250 to 300 locals were not.

By 1999, most local unions were devoting 10 percent of their resources to organizing, but very few had gotten to 15 percent or 20 percent. Although SEIU had more money devoted to organizing than ever before, the IU leadership felt that the resources available were still too limited to support the large-scale, long-term campaigns they had in mind. If the locals could not shift resources to organizing in order to meet the goal of 20 percent, then the pie would have to be increased. To get a bigger pie, dues would

> *"We learned that they [members] would not be afraid of raising their dues, but there is going to be an evaluation of your job performance if you double the investment."*

have to be increased. Debate centered on how high an increase members would support. According to one IU officer, "Through focus groups and polls, we learned that members would not be afraid of raising their dues, but there is going to be an evaluation of your job performance if you double the investment . . . [Members] were down for it—they don't just want to fight hard; they want to win."

The Convention approved the proposed dues increase of $1 a week ($4.33 per month) levied annually for five years. By the end of the five-year period, the dues increase would yield $20 more a month per member for a net increase of $360 million dollars. Even with the increased payments to the International, almost three-fourths of the increase ($270 million) stayed at the local level. Although a majority agreed with the need for more resources, as one would expect, mounting the campaigns necessary to implement the dues increase was for many local leaders a difficult and challenging undertaking and created some tensions within individual locals as well as between some locals and the IU.

In implementing the dues increases, locals were supported by the IU Communications Department, which helped prepare a strategy and a set of materials for building support among members. As with locals voting on mergers, most locals did hold votes on the dues increases, although it was not constitutionally mandated. According to the International, the dues increases passed everywhere a local held a vote. Not all local unions were mandated to do the local dues increase; some had an affiliation agreement that specified SEIU could not raise their local dues. At the 2000 Convention, delegates voted to increase dues minimums and to gradually abolish the maximum dues cap. At the 2004 Convention, for the first time, local unions were constitutionally mandated to spend 20 percent of their budgets on organizing. Locals were required to report how they spent the 20 percent, and if they didn't spend it, they were required to carry it over to the next year.

In 2008, the Convention directed that local unions put their 20 percent in a separate fund. These funds would be considered part of the division's overall budget to carry out a national integrated organizing plan. Any campaigns that locals ran using the 20 percent would have to be approved by the Division Leadership Board. Unions in high density areas were asked to share part of their 20 percent to fund division campaigns elsewhere. This policy built on voluntary practices developed after 2000, when, for example, public sector locals in high density areas supported public sector organizing campaigns in the South and Southwest, and property services locals such as Local 1 in Chicago adopted unorganized cities like Houston and put resources into conducting drives there.

From the start of the New Strength Unity program in 2000, flexibility was built in. The president, with the approval of the International Executive Board, had the power to grant waivers to local unions of minimum dues and maximum dues cap provisions. In addition, the International Union Constitution and Bylaws allowed locals to use alternate dues systems as long they met the goals of the new system. In practice, waivers were granted for members earning less than $100 per week, members who had not yet achieved a collective bargaining agreement, high dues public locals, and local unions in which a majority of members were industrial and allied service sector workers.

Tracking and compliance monitoring for the dues mandate were focused on the 50–75 largest local unions. According to an internal evaluation by the union, by 2002, average

dues had increased between $2.50 and $2.90 per member/per month in the aggregate. If local unions had all implemented the full mandate, this would have led to a $4.33/member/month increase. Nevertheless, revenue growth was substantial: between 2000 and 2004, gross local union revenue went from $452 million to $734 million and IU revenue rose from $103 million to $203 million.

Issues

Per capita payments for part-time and low-wage workers—*The increased per capita and Unity Fund contributions presented a particular challenge for locals representing low-wage and part-time workers, such as those in home care and child care. For defined periods of time, some locals were allowed to "bundle" members into Full Time Equivalents to reduce their obligation, or were provided structural relief and other short-term solutions. However, the fundamental issue remained that there was a tension between locals—who collect dues based on a percentage or a graduated system linked to income—and the International—which collects a flat rate for each member.*

STRENGTHENED DIVISIONS FOR INDUSTRY FOCUS

The Stern team came into office not just committed to growing the union, but committed to building power in its core industries. The primary focus in the first four years was on building local union organizing programs and staff and resources at the local level. As the Stern administration headed into its second four-year term, however, the sense grew that local union organizing capacity was not enough to accomplish the union's goals.

In the planning process leading up to the 2000 Convention SEIU leaders decided that local union jurisdictions should be reorganized and rationalized, focused, where possible, on a single industry. Proactive and aggressive strategies to build power in an industry within a market could be more effectively carried out if leaders and staff were focused on the dynamics of a single industry. These new, industry-focused locals would be bound to each other through strengthened industry-focused divisions: property services, public services, and healthcare. A new policy on local union jurisdiction embodying this industry-based approach was adopted by the delegates to the 2000 Convention as part of the New Strength Unity Plan.

BEFORE

In the early 1980s, as a result of growth through aggressive but often opportunistic organizing (that is, "hot shop" organizing that was not strategic or targeted), SEIU found

itself with members in a wide variety of industries. At the 1984 Convention, seeking to bring some industry focus at the International level, the union created divisions with minimal staff and limited formal responsibility. As one International union officer remembered, "In the early days, divisions were a convening of people to share issues and ideas; to network."

At the same time, local unions were often amalgamated structures, made up of bargaining units in many different industries, typically bargaining with their employers autonomously. Even when multiple SEIU locals represented workers at the same employer, they rarely coordinated their bargaining efforts. At the same time, there was increasing concentration of ownership in SEIU's core industries: SEIU's employer targets were growing in size and power.

12 YEARS LATER

12 years later, industry focus was the main organizing principle at the IU level. Gone were traditional headquarters departments such as organizing, education, research and safety and health. In their place were three major divisions: Public Services, Property Services, and Healthcare. Focused almost exclusively on growth, each division had elected and staff leadership reflecting their greatly strengthened roles. Divisions had gone from loose networks of local leaders, sharing ideas, to formally governed structures with significant responsibilities. Divisions set and enforced industry standards and coordinated organizing and bargaining in line with those standards.

In 2007, SEIU combined its long term care and health systems divisions into a single healthcare organization, with the goal of becoming "a huge national voice to fight for a healthcare system that values caregivers' work and puts patients, residents, consumers and clients first" [2008 Officers' Report]. Leaders believed there needed to be greater recognition that SEIU represented almost 1 million healthcare workers. At the founding Convention in Baltimore, a thousand delegates launched the new organization and the president of 1199 SEIU United Healthcare East, Dennis Rivera, became the chair of SEIU Healthcare. By 2009, the creation of SEIU Healthcare had not, in the eyes of some, achieved its potential. It "created the hope of a truly national healthcare workers movement. To date, that is still a goal and not a reality," noted one leader of a healthcare local.

By 2008, the Property Services Division was the most highly integrated division in the union. After a series of mergers, more than 90 percent of the membership of the division was in three local unions: Local 32BJ on the East Coast, Local 1 in the Midwest and 1877 on the West Coast. The division led the way in the union in the development of joint bargaining and integrated organizing plans.

For much of the 12 years, the Public Division had less coordination and integration than its siblings. In 2008, however, during a major reorganization of the California public sector locals, the division undertook a planning process involving hundreds of leaders and thousands of members across the union. The result was a much higher level of agreement around an expanded vision and program of the Public Division and its member locals, one that focused on quality public services as well as good jobs.

HOW SEIU GOT THERE

The significant instruments for increasing industry focus were mergers [see next section on restructuring locals], dedicated resources, national employer strategies, and having elected leaders take responsibility for the success of the division program.

Dedicated Resources

While division resources grew when the International increased its budget for organizing, it wasn't until 2000 that they were given control over substantial sums of money. It was then that the New Strength Unity program created the Unity Funds to provide additional resources for organizing. Most of these funds were assigned to the divisions to signal the importance the union was now giving to industry focus, and to fund the division-based campaigns. These funds were in addition to the 50 percent of the general budget that was distributed to the divisions to be spent on organizing. The resources of the divisions, including provision of staff subsidies, were also used to encourage locals to pursue campaigns in line with the overall division plan.

> *"There was a period of dispersing staff and resources to locals with simultaneously a greater centralization of planning."*

Unity Funds were used to finance campaigns using new strategies and targeting new territories and new industry segments, what the union called "breakthrough" campaigns. Home care and child care campaigns, for example, were funded by the Long term care and Public divisions, respectively. The Property Service Division funded campaigns in new markets such as Houston and Miami, and security officer campaigns all over the country. Health Systems funded hospital organizing, experimenting with a number of models, including partnership agreements with hospital chains that guaranteed neutrality in organizing. Overall, the Unity Funds enabled the union to pursue new, unproven strategies and to campaign in parts of the country with few or no SEIU members.

By 2008, divisions commanded significant resources to pursue growth strategies appropriate to their industries. IU organizing had changed from being separate from the local union organizing programs to becoming part of one integrated national plan. While this strengthened the role of the divisions in SEIU's overall structure, it also had the effect of creating silos between divisions. The union was also anticipating the possibility of labor law reform and the potential for strategies that would cross divisions. To address these challenges, the Justice for All resolution called for one integrated growth plan for the whole union. Division plans were to be funded with the Unity Funds and the 20 percent from locals, while $40 million would be taken from the 50 percent money and put in a central fund. A subcommittee of the International Executive Board was established to oversee this central fund. "It is idealistic to think that it will be smooth," according to one observer, "but this is the right way to be more nimble and bring to bear big numbers."

> *"We were built on this autonomy, independence, and we have not adjusted, although it is getting better."*

National employer strategies

A central goal of SEIU's strategy of industry focus was to achieve more coordinated or centralized bargaining relationships with employers. The divisions employed strategic research staff who ran comprehensive campaigns, but the employer relationships were still held primarily by local leaders, whose locals have been the collective bargaining agents. At the local level, the President's Committee 2000 identified the union's inability to match the centralization of employer ownership in core private sector industries as a trend which undermined union strength and jeopardized its ability to win for members. SEIU concluded that its bargaining structures needed to follow employer centralization to gain or regain bargaining power relative to these employers.

Not surprisingly, the movement toward coordinated bargaining resulted in significant tensions in the union. As one part of the strategy, in nursing homes, where locals had been accustomed to a great deal of autonomy in their bargaining relationships, the division developed an "alliance strategy." In exchange for an alliance on politics to increase state and federal funding and a very basic contract, a nursing home chain would agree not to oppose its employees' efforts to join the union. Some argued that the agreements produced substandard rights and economics that exploited new members and undermined the gains of already unionized workers. Supporters of these agreements, on the other hand, believed that the interests of current members could not ultimately be defended without increased density and power in the industry achieved by these agreements. In hospitals, some of the early national agreements were made without prior approval and review by local leaders of all the affected locals.

According to Stern, the essential challenge of national bargaining is about the historical roots of the union's culture and structure. "We have never learned to transfer over from an AFL to a CIO union," he notes. "We were built on this autonomy, independence, and we have not adjusted, although it is getting better." In property services and healthcare, the industries changed. In the public sector, the union was organized in some cases along classification and not employer boundaries. In both cases, multiple locals were negotiating with the same employer. "We tried to figure out how to coordinate them and we did it very badly—volunteerism doesn't work," said Stern. "It is hard to get people to conceptualize this as one bargaining situation."

In 2007, as a result of tensions resulting from national agreements, particularly with UHW, Anna Burger convened a Subcommittee on National Bargaining/Employer Relations to examine key issues and develop recommendations. "We needed to grapple with how to protect members' democratic rights in their local and yet make decisions collectively," said Burger. Recommendations were divided into three categories: employers where there was no union; where an employer was unionized in some markets but still substantially nonunion; and situations where the union had high density. "Each category requires a different balance of the need to act decisively to take advantage of breakthrough opportunities with the need for meaningful engagement at multiple levels of union leaders and members." [From the recommendations adopted at the 2008 Convention.]

"If you had local mandates you had to have an elected leader who drove the elected leaders in the locals to fulfill it."

The responsibility for designating these categories and authorizing the national employer strategy rested with the division leadership boards. The chief vehicles for ensuring meaningful participation by locals were national bargaining teams, national bargaining councils and local bargaining councils. These councils pulled together the locals that represented workers at a single employer or sector to coordinate and set standards for bargaining so that locals did not undercut one another. Together, the theory goes, the locals would wield more power against the employer than they would on their own.

Despite the tensions, the union had success in creating more centralized bargaining structures, both formal and informal. In nursing homes, for instance, the union made several agreements with national chains. Similarly, in the hospital industry, the union negotiated master agreements with hospital chains across locals. At the regional and local level, locals have also attempted, again with some success, to bring multiple employers in the same jurisdiction to a common table. Reaching agreement with employers covering multiple bargaining units and large geographies was a major accomplishment, given the historically autonomous bargaining role of SEIU local unions and national and even international trends in the other direction.

Ownership by local and International leaders

From 1996 to 2009, there was a major transition in leadership of the divisions. When they were first created under Sweeney, divisions were run by senior staff accountable to the International president. As the focus of the divisions shifted to growth, division directors reported to the organizing director and worked with locals in coordination with the IU staff assigned to the union's regional offices. After 2000, division directors reported to Executive Vice Presidents who were assigned to the Health Systems and Long term care divisions to provide political leadership (but not yet for the Property Services and Public divisions.). After 2004, the rise of large, single-industry locals and the creation of SEIU Healthcare further increased the power of elected leaders in division governance. It became increasingly clear that divisions had to be led by full-time elected officers who had the authority and legitimacy to lead. This transition was the result of a purposeful effort to tie locals more directly to the division and to shift responsibility for the division's success from staff to the collective leadership of its elected leaders.

This shift began with the creation of the division governance structures and assignments of International officers to division leadership roles. To signal the shift to an industry focus, the union moved from having regional Executive Vice Presidents to having senior elected leaders oversee divisions. One elected leader explained that "before, if you were a local in the Northeast and you wanted something from the International, you went to Anna, who was the Eastern Region EVP. When it changed to an industry-based system, it was a real signal of the overall change."

The divisions were strengthened further as more decisions that directly affected local unions were made by the division leadership boards, or their predecessor bodies. Division leadership board meetings were seen as too important to miss by most elected leaders. The boards set policy and standards, developed industry strategies, and approved spending. The boards were also more effective than staff at holding leaders accountable for the commitments they made. As one leader maintained, "If you had local mandates you had to have an elected leader who drove the elected leaders in the locals to fulfill it. If you put staff to tell local leaders what to do, it wasn't going to work."

Given the increased resources and authority of industry divisions, the structuring of division governance and procedures for decision -making became a major concern within the union. Both SEIU Healthcare and Property Services struggled with the appropriate role, both formally and informally, of the handful of very large locals with a significant portion of the division's membership. At the 2008 Convention, the union adopted a uniform policy for division governance and decision-making. Under the policy, the division leadership boards would be comprised of members of the IEB whose locals were in that division. The boards could recommend expansions of the board to increase representation. The chair would be appointed by the International president and could be a full-time officer of the union. Decisions would be made by majority vote of those present unless otherwise determined.

ISSUES

Governance—*Given the increased importance of divisions, the structuring of divisional governance is a major concern within the union. After years of experimenting with different ways of governing, the 2008 Convention created a single model with a process for decision-making. In both Healthcare and Property Services, the union has struggled with the appropriate role, both formally and informally, of two or three very large locals with a significant portion of the division's membership. Leadership is further complicated by the presence of Executive Vice Presidents in two of the divisions, as well as a chair, in the case of SEIU Healthcare. Some divisions are dominated by large locals and the "real" decisions may not be made in the formal governance bodies.*

National bargaining—*The push for coordination and joint governance of employer relationships continues to raise issues in the union. There are issues such as who should be at the bargaining table, how power is exercised, and how decisions are made. This is particularly true when bargaining for growth, such as when locals in high density areas are asked to put pressure on their employers to achieve expanded organizing rights in other areas. But it can also be difficult in any contentious bargaining situation involving multiple competing interests, where there are often winners and losers in the final agreement. The 2008 Convention decision on member voice and decision-making in bargaining begins to address these difficult issues, but each new situation raises new issues.*

LOCAL UNION RESTRUCTURING FOR INDUSTRY FOCUS

During the extensive process undertaken by the President's Committee 2000, committee members decided that to strengthen the union's industry focus, locals needed to be reorganized around single industries. In the process, larger locals would be constructed, bringing together sufficient resources to fund significant organizing campaigns, engage in more effective bargaining, and wield greater political power. By concentrating on a single industry, locals would also come into alignment with the industry division structure at the International level, which would allow for greater coordination and integration.

BEFORE

Historically, most SEIU locals were amalgamated; they included many bargaining units from different industries in a particular local area. There were also many small locals, often with either no or a very small staff. In some states, there were multiple locals representing workers in the same industry. In Illinois, for example, there were property service workers in locals 1, 73 and 25.

Combined, the large number of small, under-resourced locals and larger, amalgamated locals with highly mixed membership fragmented the union's power, both vis-à-vis employers and within the political sphere. One local leader described the fragmentation in her local: "It was hard to focus properly when you're that scattered. And the whole local was like that."

12 YEARS AFTER

By 2008, with some exceptions, local unions represented members in a single division. The overall number of locals had been greatly diminished, from 373 to 140. The average size of a local increased from 2,680 to 14,280. Even those locals that survived this period often underwent significant realignments of their own. SEIU records listed 136 mergers between 1997 and 2007. These included comprehensive mergers as well as the transfer of bargaining units from one local to another. By 2008, almost all locals were either new to SEIU or had different jurisdiction than they had in 1996.

Local size	Under 1,000	1,000-4999	5000-9999	10,000-19,999	20000-49,000	50,000-99,000	100,000+	Members	Totals
1995	218	100	27	17	9	2	0	1,086,773	373
2008	50	31	15	21	21	12	3	2,004,000	140

Figure 4: Number of locals of different sizes 1995 and 2008

In some instances SEIU gave bargaining units to other unions, usually because they "belonged" in another union's industry jurisdiction. For instance, several locals of utility workers (with total membership of more than 4,700) were transferred to the Utility Workers Union of America in 2002–2003. In this and other cases, SEIU argued that the receiving unions had more experience representing these types of workers. SEIU also made agreements with other unions to encourage members to vote on switching unions or created servicing agreements to maintain industry focus.

By 2008, there were 15 locals of more than 50,000 members representing 57 percent of the membership of the union. The drive to create mega-locals, as they were referred to, was two-fold. On one hand, there was a belief that they could exercise more power: that "size matters." There was also an incentive to merge small locals into larger ones so that they would no longer be the responsibility of the International Union. "Before, huge division and International resources were spent doing things for these small locals that we shouldn't do," said one International leader. "Now there is a tremendous ability of the large locals to spend resources, create bigger strategies, underwrite infrastructure, and get members better contracts."

The reorganization of the locals into large, single-industry organizations provided greater concentration of resources to engage in bargaining, politics and organizing. Large locals could afford to hire senior staff to drive program in politics and organizing, and professionals to do research, communications and IT. And locals with a concentration of members in an industry had increased bargaining power with regional and national employers. One local president argued, "It is demonstrably true that we have achieved more than we could have achieved separately for [the merged locals] ... The improvements are clear, and members would say that." Another former leader of a small local that was merged into a larger local had this perspective: "To be honest, I used to be worried about filing for arbitration, grievances—I had to worry about how much it was going to cost. There's no fear like that anymore. [If] we want to do something, we can do it. So it worked out, it just did."

Another local officer, highly critical of the merger *process*, was an even stronger believer in the benefits of consolidation: "Was it in the best interest of our members? Yes, I'd say so. I don't disagree with the decision." She reported a similar feeling on the part of members, "[At first] it was not well-received [by the members]. Members liked [the old] local. They were comfortable. ... [But now] I don't hear specific complaints when I talk to members ... Employees really are aware of the difference that focus can make, in [state politics]. ... We couldn't do what we've done at the bargaining table if we didn't have a powerful presence in [the state capital]."

HOW SEIU GOT THERE

Mergers and reorganizations were done through two different methods: one involved the consent of the local or locals concerned, while the second followed a hearing conducted by an officer designated by the IEB. Hearings were intended to sort out the best and most politically viable plan, although sometimes the locals felt the final decision was foreordained. As noted, at the 2000 Convention, new jurisdictional standards were approved as part of the New Strength Unity platform. The standards made clear the

goals of realigned jurisdictions were to "remove any obstacle to a local union taking maximum advantage of the political and market factors that will allow it to achieve the best possible wages, benefits and conditions for its members."[i]

According to the Constitution of the International Union, it is not necessary for local unions to ratify the structural changes mandated through the hearing process. Some local union bylaws and affiliation agreements do require such a vote. In some cases, the IEB has adopted hearing officer recommendations that a vote of affected members take place. In recent votes involving reorganization of multiple locals, votes were tabulated on a pooled basis from all the locals combined, a practice to which some locals and activists object because, they argue, this pooling of votes prevents individual locals from effectively registering discontent with merger plans. Those who defended the practice insisted that the restructuring arrangement represented a balance of interests that should rise or fall as a whole.

Jurisdictional hearings were initiated by the IEB and focused on creating union density and organizing capacity in the particular industry or industries in which the locals involved represent members. Hearing officers considered the distribution of members in the different locals, the resources and organizing records of those locals and the plan for reorganization so as to achieve the goals of the New Strength Unity Plan. Each affected local was given a chance to make a presentation, including arguments and evidence in opposition to the IU's plan. The hearing officer issued recommendations to the IEB, which made the final decision.

These decisions could be straightforward, such as combining two healthcare locals in one city, or extremely complex, such as in the case of the California public sector locals reorganized in 2007. At one time or another during the process, the California reorganization involved 29 different locals. The goal of the process was to identify structures that would be the most effective at dealing with public services employers at the local, county and state levels. In that case, the outcome of the hearing was not preordained. "Politics always entered the scene. What is realistic in terms of reorganizing is not always cut and dried," according to one participant. For this and other reasons, fragmentation of representation has not completely disappeared. There are, for instance, still multiple SEIU locals representing healthcare workers in several states.

Some locals actively opposed being merged into other locals. For many locals whose leaders objected, such as some leaders in the California public sector restructuring, the mergers went forward in spite of opposition from local leaders. Some local leaders moved to pull their organizations out of SEIU completely, and were trusteed. If an objecting local was already considered by the IU's leaders to be high performing or too politically important to alienate there was some leeway. The Property Services Division, for example, did not insist that Boston Local 615 merge with 32BJ, as other East Coast locals had done. Despite some objections, the vast majority of locals accepted the rationale for the reorganizations and entered into the process willingly.

United Healthcare Workers West

The conflict surrounding United Healthcare Workers West (UHW) was not limited to, but grew out of, the strategy of restructuring local unions along division lines. UHW was created when Bay Area Local 250 voluntarily joined with healthcare members from Local

399, creating the third-largest local in the union. The second-largest was another group of healthcare workers in California—nursing home and home care workers—who belonged to Local 6434 out of Los Angeles. In 2006, UHW leaders initially supported the effort to unite California long term care members in one local. However, when it became clear that a likely outcome was that UHW would not get those members, but rather that a separate statewide long term care local would be created, the leadership withdrew its support.

Disagreements developed around this and other issues—such as nursing home and hospital growth strategies and centralized bargaining—and the conflict escalated. In the fall of 2008, former Secretary of Labor Ray Marshall conducted a hearing, where he investigated the diversion of dues money to an outside entity, the jurisdictional dispute and other issues. In the end, Marshall recommended that a trusteeship be imposed on UHW unless the local agreed to comply with the IEB's decision on California long term care jurisdiction, which it refused to do. Even though there were those who disagreed with the trusteeship, the momentum inside the union to take action against Rosselli was strong. Outside, the conflict fed into the criticism that SEIU had become too top down and intolerant of dissent.

In January 2009 the IEB voted unanimously to support a trusteeship. In anticipation, ousted UHW leaders had established a rival union—National Union of Healthcare Workers (NUHW)—and began to raid SEIU. Hundreds of SEIU staff from around the country went to California to support the trusteeship, while many in the local labor movement supported NUHW. SEIU won, at least in part, a federal court case against NUHW leaders in the spring of 2010, but battles over the members continued.

UHW—with 140,000 members in 2008—was one of the large locals created by the restructuring of SEIU locals, a process that concentrated membership in the hands of a few local leaders in some divisions and states. As demonstrated in California, the concentration of power that enabled these locals to more effectively bargain, organize and exercise political influence also had the potential to be a destabilizing force within the union itself.

ISSUES

Smaller markets—*In some cases, the very large locals based in big cities have not been attentive to the particular issues and concerns of the merged units outside the city. One former local president, now a staff member in an outlying office, puts it this way: "Everything you do in a local, we do out here…, yet you have this structure where my boss is in [the city]. The problem was their agenda was always the [city] agenda, so I would go [to the city] every Wednesday and sit through a staff meeting that was 99 percent [city] and didn't have anything to do with [our location]." Many of the leaders in these areas are essentially middle managers in large bureaucracies, without the authority to make important decisions in their area. As a result, the dynamics of the local geography can be undervalued or ignored in making decisions on politics*

and employer relations. Different structures or processes are needed to allow for more decision-making at the grassroots level.

***Post-merger integration**—While there is a lot of attention paid to completing a merger agreement, the post-merger integration process does not typically happen smoothly. Even in mergers that go well to the outside eye, there can be initial and sometimes lasting culture clashes that result in both staff and members growing disillusioned. These kinds of problems can often undermine the potential synergies of combining organizations.*

***Democracy and member participation in decision-making**—In the context of the conflict following the UHW trusteeship in 2009, some SEIU leaders become defensive about member participation in decision-making. Words like "democracy" and "member voice" are seen as equivalent to the demands for local union autonomy that allowed a previous generation of local leaders to escape using their power to organize the unorganized in the 1990s. However, as locals get larger, more diverse and dispersed, and more decisions are made at the division level, the challenge remains how to ensure a vibrant and democratic union. Stern points to the CIO as an organization that centralized fundamental decision-making structures to reflect industry realities and still fostered traditional notions of union democracy. However, the answer for how to change from a union of autonomous locals to a highly aligned and yet democratic union cannot be found in the CIO model. The dilemma presents opportunities for dialogue and for innovation in new forms of member participation in decision-making.*

LEADERSHIP CHANGE

At the 1996 Convention, members of Chicago janitors' Local 25 spoke out against the mismanagement of their local and the corrupt behavior of its leaders. Shortly afterward, Stern put the local into trusteeship and removed its president, Gene Moats, for "extravagance and nepotism." Moats was a highly visible union figure who many had thought was untouchable. Three years later, another important symbol of the old guard—Gus Bevona, president of Local 32BJ—left under pressure, sending a strong signal across the union. "A critical part of Andy's success was that he was not going to tolerate what Sweeney tolerated—big locals being dysfunctional," according to one local leader.

"If you don't have the courage to change the leadership then you are going to keep doing what you've always done."

The Stern administration believed that the competency and mindset of local leaders mattered a great deal to the future of the union. From early on, the International assigned talented staff to tactical leadership positions inside local unions, sometimes as a trustee and sometimes as senior staff. "There was a strategic use of leadership—where should our young Turks go?" remembered one participant from that time. The new leaders were more ideologically in line with the International leadership and more comfortable with the concept of a strong, central organization. The end result was dramatic: 12 years after the Stern administration took office, the leadership of the union had been transformed. "When you talk about change at SEIU," commented one observer, "first is leadership."

BEFORE

In 1995, the leadership of the 370 locals in the union was, for the most part, highly independent of the IU and disconnected from the growth agenda. They ran organizations of small to moderate size and except in the case of statewide public sector locals they were mostly concentrated in a single city or county. One of the important developments during the Sweeney administration was the beginning of change in whom the leaders were, their role, and their relationship to the IU.

The affiliation of the District 1199 locals with SEIU in 1990 brought in a dozen progressive leaders and an organizing tradition. The affiliation of United Labor Union [ULU], a union off-shoot of the community organization ACORN, similarly brought leaders with an organizing focus into the union. Elsewhere, more people of color and white women were encouraged to work for locals and run for office, and the IU ran training programs to support rising stars. At the same time, the International had begun to take a more aggressive approach to failing locals and corrupt local leaders. Between 1992 and 1996 there were 10 trusteeships, compared to an average of two every four

years in the three previous Convention periods. However, the culture remained firmly one of local autonomy.

The makeup of the leadership of the largest 10 locals in 1996 told a vital element of the story [see Figure 11 below]. They headed organizations of moderate size and scope—31,000 to 55,000 members—80 percent were white men; they were based primarily in California and New York and only a few had staff dedicated to organizing or politics. Almost all of these local leaders took an arm's length, if not openly hostile, stance to the IU.

Chief Officer	Demo	Local	Location	Size
Gus Bevona	W, M	32BJ	NYC	55,000
Perry Kenny	W, M	1000	CA	47,250
Ken Lyons	W, M	5000	National	36,000
Sal Rosselli	W, M	250	No. Cal	33,000
Frank Russo	W, M	144	NJ	28,500
Janett Humphries	AA, F	99	CA	27,000
Jim Sheedy	W, M	PEF	NY	26,100
Gil Cedillo	L, M	660	No. Cal	25,000
Alice Dale	W, F	503	OR	21,250
Dave Bullock	W, M	399	So. Cal	20,500
Average size				**31,960**

Figure 5: Leaders of largest 10 locals in 1996

12 YEARS AFTER

In 2009, the leadership of local unions had dramatically changed. The union had doubled in size and halved the number of locals, meaning that leaders were now in charge of larger organizations in both membership and geographic scope. They each had staff dedicated to organizing and politics and in both areas developed strategies in collaboration with the IU and other SEIU locals. While aspects of local autonomy remained, particularly among the larger locals, the culture was one primarily of integration and centralization.

From 1996 to 2009, there was a marked leadership turnover among SEIU's full-time elected officials. In some cases, locals had several different leaders during this period of time. Of the presidents of the 50 largest locals in 1996 (representing more than 70 percent of the membership at the time), only seven were still with the union 12 years later. Two had become International Union officers (Tom Woodruff and Tom DeBruin), three had moved to other union positions, (Debbie Schneider, Alice Dale and Celia Wisclo) and two (Kristy Sermersheim and Tom Balanoff) were running locals, but not the same locals as in 1996. This turnover was seen by many as a necessary corollary to the other changes going on in the union. In the words of one local leader, "If you don't have the courage to change the leadership then you are going to keep doing what you've always done."

"If you don't have a team inside that can do the local union work while you are doing something else that is a big problem; especially true of big locals."

Along with turnover of leadership came changes in how leaders functioned, both within their locals and within the

International. Locals increasingly had statewide or even multistate jurisdictions requiring leaders to operate at a higher level politically. With the creation and strengthening of International decision-making bodies at the division level, local leaders began collaborating more with their peers in making decisions affecting multiple locals. Local leaders also interpreted policy and made decisions as chairs of jurisdictional hearings, trustees and administrators of other locals, and as participants in state councils and coordinated bargaining councils. They began to act on a larger stage.

At the same time, more local leaders participated in the governance of the International union. The International Executive Board (IEB) was expanded from 40 in 1995 to more than 60 in 2004. That year, the union created a 20-member Executive Committee, appointed by the president, which met more frequently than the IEB. The leadership bodies expanded again at the 2008 Convention and again with the affiliation in 2009 of Workers United. With those changes, the number of International officers increased to nine, the Executive Committee to 35, and the full IEB to 79.

At a staff level, SEIU saw an influx of experienced staff from other unions. According to one transplant, "my observation about SEIU is that a number us who grew up in progressive politics either left the labor movement or came to work here because we couldn't make it happen anyplace else, there wasn't the critical mass or the industrial strategy." In addition, several senior staff who had left SEIU returned, including Kirk Adams and Steven Lerner, to take on major roles in the Stern administration. It should be noted that the door opens both directions: some talented staff have also left SEIU, though for many reasons. Among others, some were recruited to take on positions of greater authority. Others became frustrated by particular decisions, practices or policies or overall direction of the union.

By 2009, the culture of leadership had changed from one where consensus favored the status quo to one where the momentum was for change. At the same time, the officers were still very conscious of building ownership of the program among local leaders. According to Stern, "people have to get why we are right and be willing to change our organizations because they agree."

The new leaders

As a whole, the incoming leaders were younger, more likely to be female or Latino, more likely to have been a union organizer, more likely to have gone to college and more likely to be a close ally of the Stern administration than those they replaced. In 1996, 80 percent of the leaders of the largest 50 locals were older than 55, compared with 50 percent in 2008. In 1996, 68 percent of the 50 largest locals were run by white men, compared with 38 percent in 2008 [see Figure 6].

"A group of 55-year-olds that changed this union—Andy, Anna, Eliseo, Tom, Steven, Kirk, Mary Kay—they came to power in their mid-40s, ready to make change."

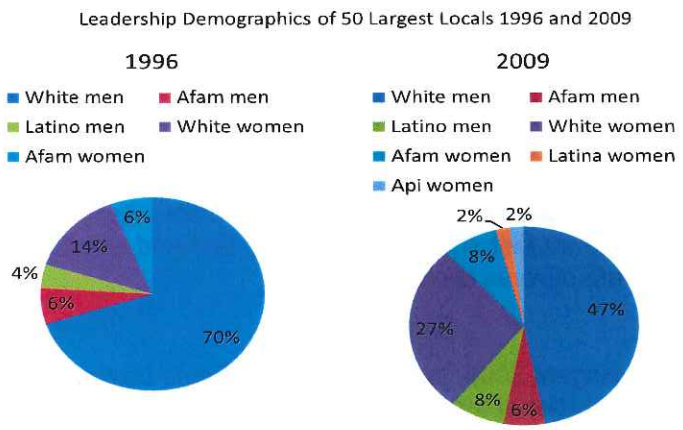

Figure 6: Demographics of Largest 50 Locals in 1996 and 2009, excluding Workers United.

SEIU had a long practice of hiring staff from outside the union and of staff moving into elected leadership positions. John Sweeney, for example, was working for another union when he was recruited to come on staff of the New York janitor's Local 32B in 1960. This practice increased after 1996, and the mobility of leaders from one local to another also increased. Among the leaders of the largest 50 locals in 2009, 52 percent had been rank-and-file members of SEIU and 12 percent had at one time been on staff of the International.[ii]

The leadership of the largest 10 locals in 2009 illustrated the change.

Chief Officer		Local	Location	Size
George Gresham	AA, M	UHE 1199	E. Coast	243,000
Laphonza Butler	AA, F	ULTCW	CA	165,462
Dave Regan	W, M	UHW	CA	145,759
Mike Fishman	W, M	32BJ	E. Coast	97,178
John Tanner	W, M	721	So Cal	85,800
Yvonne Walker	AA, F	1000	CA	85,750
Keith Kelleher	W, M	HCIL/IN	IL/IN	82,560
Damita Howard	AA, F	1021	No Cal	59,144
Marge Faville	W, F	HCMI	MI	54,110
Kristy Sermersheim	W, F	521	CA-Mid	55,795
Average Size				**107,455**

Figure 7: Leaders of largest 10 locals in 2009

Problems with some new leaders

In a small but notable number of locals, the rapid rise of untested leaders did not go well. In promoting people for leadership positions, the IU made an assumption that talented organizers would make talented local leaders, which didn't always turn out to be the case. New leaders were encouraged to make dramatic changes and pursue aggressive growth strategies, a path that required sophisticated political and organizational skills that in some cases were lacking and in other cases were simply not sufficient. Some were unable to manage the responsibilities and some lost the support of their executive boards. This resulted in additional turnover and turmoil for the union. According to one leader, "we moved a lot of people up fast and a lot of staff up fast and we didn't provide a lot of support for them to be effective as leaders."

> *"We moved a lot of people up fast and a lot of staff up fast and we didn't provide a lot of support for them to be effective as leaders."*

In August 2008, the *Los Angeles Times* broke the story that the leader of the 165,000 member home care and nursing home local based in Los Angeles, Tyrone Freeman, was using the union to enrich himself and his relatives. Freeman had been an organizer and then a local leader for the union in Georgia who Stern moved to Los Angeles to run Local 434B shortly after the home care victory there in 1999. The International placed Local 434B under trusteeship and charged Freeman with violations of the SEIU Constitution. The charges were upheld and Freeman was banned from SEIU membership. A protégé of Freeman's who had moved to Michigan to head the health systems local was removed from office for ethics issues. Annelle Grajeda, who Stern had recently appointed to run one of the newly merged public sector locals in California, was placed on leave from her position in the International over an alleged ethics violation. While there are leaders in all organizations that violate ethics codes, and in this case an internal fight in the state brought additional scrutiny, what was notable was the degree to which these leaders were rising stars being actively promoted by the IU.

In response, in 2008 the union created an ethics commission to improve SEIU's ethical practices, enforcement and education efforts. The 14-member panel included local officers, members, clergy and academics and was chaired by James Zazzali, former chief jJustice of the Supreme Court of New Jersey, and co-chaired by EVP Eliseo Medina and Abner Mikva, former chief judge of the U.S. Court of Appeals, DC Circuit. In June 2009, the IEB adopted a Code of Ethics and launched a program to provide ethics training throughout the union.

HOW SEIU GOT THERE

Leadership turnover was the result of several factors. The largest exodus resulted from the reduction in the overall number of locals, which resulted in 230 fewer local president positions over 12 years. The second-largest number left through retirements. Some of these were voluntary and others, like Gus Bevona, were a result of a negotiation with the

International. Of the leaders of the 50 largest locals in 1996, none remained at the head of the local they ran in 1996. [see Figure 8]

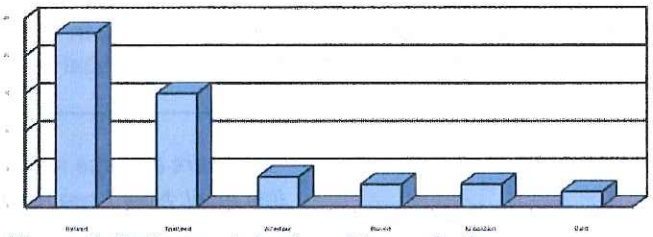

Figure 8: Retirement, trusteeships and other reasons leaders of the 50 largest locals left their positions 1996–2009

The role of trusteeships in leadership change

Leadership change was accelerated by the expanded use of trusteeships to reform the union. As part of a trusteeship, the top elected officers were removed. A trustee was then named to run the local until another solution could be found. In some cases, like Local 32E in New York, the local was eventually merged. In other cases, like Local 5000 in Boston, the trustee ran the local until someone emerged, in that case the local's lobbyist David Holway, to run for the presidency. In a few cases, the trustee ran for office.

Beginning in Sweeney's last term, the union became more aggressive when it came to addressing dysfunctional locals, up to and including exercising the power of trusteeship granted by the constitution. Whereas only two or three locals were trusteed in each four-year cycle between 1980 and 1992, that number jumped to 11 in the four years prior to Stern's election. The use of trusteeships intensified from 1996 to 2003, during which time 30 locals were trusteed. [See Figure 9]

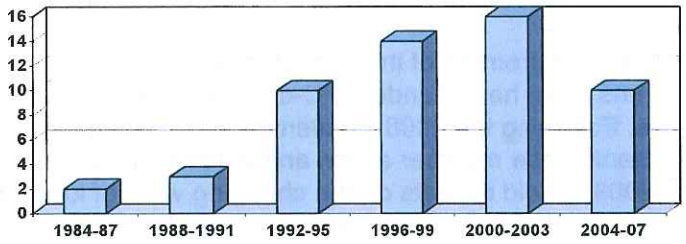

*Figure 9: Number of Trusteeships by Convention Period**

*These figures do not include voluntary trusteeships that were used to manage a transition of contracts following a merger.

The language in the Constitution that gave the president the power of trusteeship had not changed, nor had the conditions of the locals deteriorated. The grounds for trusteeship remained as "correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining

representative, restoring democratic procedures, or otherwise carrying out the legitimate objects of this International Union." What had changed was the IU's attention to the internal functioning of its affiliates and the president's willingness to act. "When Andy came in, his view was the constitution gave him authority that if you are failing in the task of representing the members, the local could be trusteed," according to one local leader.

Changing the role of local leaders

> *"Six years ago she was a leader within this local. Now I see her in a much more expanded role, as a leader within SEIU. She's had to make tough decisions that encompass a bigger picture."*

For both new and veteran leaders, changes in the larger union had a profound impact on the nature of their jobs. In one case, a leader went from running a local of 10,000 members in a single state to running a local of 40,000 members across several states. In another case, a leader went from overseeing a staff of 30, each of whom he knew well, to a staff of more than 100, many of whom he had barely met. Leaders who had primarily focused on organizing and bargaining were now major political players in their states. Increased membership within an industry and market positioned local leaders to engage with employers from a position of strength. In short, elected leaders were running far more complex and powerful organizations than existed a dozen years before.

In recognition that there was a widespread need to support and develop local leaders to further change the union, SEIU launched the New Strength Unity Institute in 2002. Later renamed the Institute for Change (IFC), the group supported leadership teams from selected locals in making both individual and organizational change. From 2002 through 2007, the IFC conducted a retreat program, where teams of eight to 10 people (including top officers and department heads) from participating locals came together in a series of retreats. In the program, leaders worked on developing a 10-year vision, a five-year strategic plan and a two-year implementation plan. A diverse faculty included psychologists, actors, college professors, business consultants and strategists from outside labor who stretched the participants' concepts of leadership and change.

By 2008, more than 250 leaders from 35 of the largest locals had participated in the retreat program, and dozens more had attended IFC-designed events sponsored by divisions and local unions. Following the 2008 Convention, the Institute for Change turned its focus to implementing the member action and leadership provision of the Convention platform. In 2009, it held retreats on the changing work of local union staff, the role of front-line supervisors in leading change, and created an innovation leadership group of local staff and leaders to develop new practices to increase member involvement.

ISSUES

Appointment of leaders—*The involvement of the IU in selecting local leaders has been controversial. Where extensive reorganization means that new entities are created, temporary bylaws give the president the power to appoint officers until new bylaws are approved, almost always resulting in the appointed leader's election. Similarly, trusteeships provide the opportunity*

for the IU to play a leading role in identifying the candidates for office. Stern calls the appointments of new leaders "the biggest decisions I make." In June 2009, 18 of the presidents of the 50 largest locals were initially appointed to their position by Stern. Of those 18, 10 were elected leaders of other locals (including in some cases one of the merging locals) prior to their appointment. [Three large locals were being run by appointed trustees at the time this study was concluded.]

***Local leaders in International roles**—There is a difference between representing the interests of your local's members at the International level and acting to benefit members—and potential members—of the entire union. Decisions around politics and bargaining are increasingly made at the state council or division, not the local union. In some cases, these decisions result in a different outcome than what any particular local leader wants, and he or she is expected to comply with the majority. This tension took center stage at the 2008 Convention, when it was characterized by the Stern administration platform as the difference between "just us" unionism and "justice for all." Even for local leaders who believe in the principles behind the Justice for All platform, however, there can be a tension between their International and local roles. "While there is inherent synergy, there is also a constant pull between the two," comments one leader.*

***Leadership structures in large locals**—While many "locals" have become large regional organizations, many have maintained the centralized decision-making structures typical of local unions. One consequence is that leaders in small markets, senior staff below department head level, and many member leaders in elected positions are not at the table when critical decisions are made. This impacts both the quality of decision-making and the development of these leaders and staff. Where leaders have focused on this issue, they have consciously distributed authority through a leadership team, and delegated decisions to regional or local leaders who are closer to the relationships and facts on the ground.*

A SINGLE, UNIFIED IDENTITY

Starting in the early years of the Sweeney administration, there was concern about SEIU's lack of visibility. Despite its growing size and influence, when it came to the organization's public image, it was still largely "SEI—Who?", as one staffer joked. In 1996, the new administration decided that in order to move the aggressive agenda it envisioned, they would have to upgrade the union's profile.

BEFORE

While SEIU had a high degree of visibility for some affiliates and campaigns, such as Justice for Janitors, in many instances, that visibility didn't translate to the parent organization. In one case, three SEIU stories appeared in the *Los Angeles Times* on the same day, none of which mentioned their relationship to each other or to SEIU. The union was an organization of 360 locals with 144 different names. There were nearly as many logos (and color schemes) as there were names.

SEIU was an organization of 360 locals with 144 different names. There were nearly as many logos (and color schemes) as there were names.

The practice for more than 20 years had been to change the logo every four years, unveiling and adopting it at each new Convention. Locals were free to adopt the new look or not. As a result, there was a proliferation of different designs, with some locals using their own logos while others used various iterations of the SEIU logo going back more than years.

12 YEARS LATER

12 years later, the union had a unified identity with a visible public image. There was a stronger sense among activists, staff and leaders that they belonged to a single, International organization that had a proud vision and mission. The visual representation of that identity was centered on the color purple and the tag line "Stronger Together."

As a result of the aggressive identity campaign, members, employers and the general public began to "see" SEIU where they hadn't before. Members were making connections across locals, such as the California member visiting relatives in Ohio discovering that her cousin was a member when she saw his purple T-shirt. A hospital administrator, at the conclusion of negotiations asked, "You want us to print the cover of the contract in purple, right?" A field organizer for the Obama campaign commented, "SEIU was everywhere."

HOW SEIU GOT THERE

The work on an enhanced SEIU identity began at the 1996 Convention. The Bold Action platform sought to create that identity, including a new logo and a unified set of messages that the International and locals would use. As a first step, the officers put together a team of communications experts from both inside and outside the union to develop a branding campaign. The team initially discussed the possibility of changing the union's name, but it was determined that a wholesale name change would be too costly. After looking at the research on corporate and nonprofit branding, the team decided to use the abbreviated name, SEIU, rather than a catchy new name or the name in full, Service Employees International Union. They wanted something that could fit on a bumper sticker.

In addition to promoting an image of one International organization, the communications strategy was to create more visibility for SEIU members and their work and to publicize the vision of a more just and humane society that the union was striving to create. To accomplish this, the President's Committee 2000 drafted statements of the SEIU mission, vision and values and tested them with members and the public through polling and focus groups. After review and feedback from the senior staff and executive officers, the team developed a half-page mission and a one-sentence mission-statement: "To improve the lives of working people and their families and lead the way to a more just and humane society." This inspired the tagline "leading the way," which after receiving criticism for its self-important tone, was changed to "stronger together."

To develop a new logo, the team commissioned designs from five different logo artists. In the end, though, the logo that got the most traction was the one designed by Mackie Lopez, a staff member from the Communications Department. His logo, a stylized path leading to a sun, was adopted for the identity campaign.

Next, the communications team worked on choosing a single color for SEIU materials. They knew the power of color from observing AFSCME. One team member recalls: "There was an appreciation that this was something that AFSCME had done very well with the color green." After contacting other AFL-CIO affiliates, the team discovered that while some had chosen a color, only AFSCME had been disciplined and thorough in adopting it. The SEIU team proposed three color choices and ultimately settled on purple and locked onto one shade in particular, Pantone 268c, for the exact color that would become the union's trademark.

"You want us to print the cover of the contract in purple, right?"

Launching the new look

After a year of work, the team returned to the IEB with its recommendations for the name, logo and color, bringing with them some actual samples and products. The IEB agreed to move forward with creating a unified identity, which meant that for the first time, some affiliates would have to identify themselves directly with the name "SEIU." The locals whose leaders sat on the Executive Board represented about 83 percent of all members, so their buy-in to the plan was critical. "We knew if they got on board, in the main, it would be the groundswell to move everything else," said one observer.

The agreement included the provision that locals could continue to use their own names along with "SEIU," as long as the latter was the most prominent. The initial roll out was voluntary, in recognition that many associations had been guaranteed that they could maintain their name when they affiliated with SEIU. The fact that the union had already gone through the first year of a major change process helped lay the groundwork for members to accept further change. Still, it wasn't always easy. Even leaders who understood and supported the change had to struggle with letting go of their own long-standing identity within their local unions.

To encourage locals to make the change, the union developed an Organizational Identity Assistance Program. The program included manuals, staff help, discounts for merchandise such as T-shirts, as well as a starter kit. The starter kit provided discs with formatted materials that ensured the correct color and design would be used. Locals were given a supply of letterhead and two banners for free. Three regional printers were given instructions on how the local names should be incorporated into the logo, and they were instructed to get approval from the IU before going into production. To make sure the T-shirt color was standardized throughout the union, their central vendor went to the factory that supplied the fabric, and, after checking the color, authorized an initial run of 100,000 purple shirts.

"I was skeptical initially, but now I am amazed at how effective it has been in making us feel like one organization."

Some locals decided on a gradual name switch. For example, the leaders of the Oregon Public Employee Association knew their name was closely connected to members' connection to their organization. So the first step they made was to change their name to the Oregon Public Employee *Union (OPEU)* in 1988. By the time of the identity campaign, they were ready to become OPEU/SEIU. As members, leaders and staff moved on many fronts from a "servicing model" to an "organizing model" of unionism, they staged more rallies and events—and even the first-ever Oregon state worker strikes. At this point, they felt proud to be associated with the ubiquitous purple T-shirts, so there was no opposition when the leadership moved to have "SEIU" as their primary identity. It was only then, in 2000, that their name changed to SEIU Local 503, OPEU.

At the 2000 Convention, members passed a constitutional amendment that required locals to go by the name SEIU, followed by their name or number. Affiliate agreements prevented the IU from mandating that all locals change logo and color, although almost all the locals did so. In 2007, with the creation of SEIU Healthcare, healthcare locals around the country dropped their numbers, and identified directly as "SEIU Healthcare", followed by their state or region.

The creation of a unified SEIU identity has had a profound impact on the mindset of members, leaders, and observers of SEIU. Many use the word "purple" as synonymous with union power. *The New York Times* reported that "once a movement of rust brown and steel gray, Big Labor is increasingly represented, at rallies and political Conventions, by a rising sea of purple." One member talks about a march in Springfield, Ill., saying, "All we could see was purple!" An architect of the identity campaign remarked that "it was the type of unifying approach and force that we hoped to create in the organization. It admittedly happened faster and more smoothly than we thought it could, but that is a very good thing."

ISSUES

Membership identification with the IU—*By 2005, the latest year for which numbers exist, the average member's ability to identify SEIU as the union they belong to had improved from 44 percent to 61 percent in five years, with 75 percent approval. These numbers have most likely improved since then, but the challenge remains of creating a strong connection between members and the International, when the primary identification continues to be at the shop level.*

Building pride and unity without arrogance—*A unified identity for SEIU builds pride among staff and members of the organization, which has at times been seen as hubris by those outside the union. The initial tagline "Leading the Way" drew criticism from other unions that SEIU believed they were better than everyone else, ultimately causing the union to change its slogan. Building and promoting a unified identity has also made SEIU a visible target. Both the left and the right have attacked SEIU—at times referring to the color purple and other aspects of its brand—as too powerful or self-promoting.*

RETHINKING THE FUNCTIONS OF LOCAL UNIONS

In 1997, shortly after his election, Andy Stern wrote: "We have heard from many locals about the pressure that has been put on their representation activities as they have implemented more aggressive organizing and political action. Many locals have found it hard to continue their existing representation systems while building more capacity for organizing. This was natural, because while we were creating new organizing and political action programs, local unions, by and large, have been using the same representation system for decades." In fact, despite tinkering with that system in many locals, the union did not begin to engage in widespread reconsideration of the core work of the union at the local level until 2004.

"While we were creating new organizing and political action programs, local unions, by and large, have been using the same representation system for decades."

By 2004, several institutional shifts had convinced influential union leaders and staff that a reassessment was necessary. Many locals operated in either statewide or multistate jurisdictions. Organizing and bargaining were planned and in many cases executed centrally, through the divisions. The push for local leaders within a state or jurisdiction to "speak with one voice" meant that many decisions were no longer within the sole purview of the local union. In addition, concerns were being raised that not enough members were actively engaged in the union. These facts raised fundamental questions and forced a re-evaluation about what local unions should be doing in the future and how local unions could involve their members more effectively.

BEFORE

Before 1996, SEIU locals were focused on the same core activities where most other unions in the United States focus: bargaining contracts with employers and handling grievances for members. In most locals, the majority of staff were assigned to service a particular set of members, which meant visiting worksites and handling grievances and responding to member problems. Depending on the industry, staff could also lead bargaining with employers. Many locals had no organizing programs and limited political involvement; they were isolated from each other and distrustful of the International Union. Membership attendance at monthly meetings and other union events had been in decline.

12 YEARS LATER

For the first 10 years of the Stern administration, local unions went through dramatic change in their structure and programs: they realigned members in locals by industry

and merged locals in the same jurisdiction for increased capacity, and significantly increased their organizing and political programs. For the most part, however, representation staff and shop stewards continued to conduct the work of the union much as before. Some locals underwent a transition from what they called the "servicing model" to the "organizing model" of representation. Most locals, including some of these, still spent the vast majority of staff resources focusing on what they later called "the 5 percent of members who have grievances." In 2004, the union committed to a process of "reimagining" the union at the local level.

As part of the Justice for All program, delegates to the 2008 Convention approved a proposal for "Member Action and Leadership to Win for Working People." At its core was the commitment that locals would engage a majority of their members in union activities and have 10 percent taking leadership roles by 2012. To do this, the resolution recommended [but didn't require] locals to do the following:

- *Increase opportunities for members to lead the way;*
- *Increase responsiveness and member satisfaction by establishing Member Resource Centers [later changed to Member Action Centers];*
- *Retrain and redirect local union field organizing staff toward new work; and*
- *Free individual local unions from administrative tasks by pooling administrative functions in a Shared Service Organization.*

Following the Convention, SEIU moved forward in several areas. Tom DeBruin, former president of SEIU Healthcare PA, was brought on to take full-time responsibility for the Member Strength initiative. The union expanded the Member Action Center in California, where multilingual staff handled questions and grievances by phone for more than 220,000 members. The union began the process to launch an International shared services organization to provide back-office functions and call center services to locals. The Institute for Change created an Innovation Leadership Group to generate pilots in member involvement.

HOW SEIU GOT THERE

The first examination of servicing was undertaken by the SEIU Task Force on Representation shortly after the Stern administration took office. The task force was charged with coming up with best practices for implementing more effective representation systems and a set of unionwide standards on representation. Over a series of meetings, the task force examined existing systems of representation across a range of local unions, conducted a national poll of union members, and spoke with local union staff. Its final report proposed developing member leaders to take on the representational work done by staff so that more local union resources could be devoted to organizing. The report was adopted by the Executive Committee, and locals were urged to adopt the new principles and standards, often referred to as the "organizing model" of representation.

The Local Strength Committee looked at the ability of "megachurches to attract thousands of people to Sunday services while more traditional churches were in decline."

Union leaders remained dissatisfied. Expenditures on servicing were not decreasing, and it was not clear whether this work was achieving its desired goal. Nor was it clear that effective local leaders were being developed: was the recruitment and training of shop stewards to police the contract really the most fruitful way of developing rank-and-file leaders and connecting with members? There was a common assumption that only 5 percent of members were actively engaged in the life of the union. One staffer remembers the locals "were going through ritual combat with employers but not changing workers' lives."

At the 2004 Convention, "The Local Union" was named as one of the Seven Strengths, and the delegates voted to create a blue ribbon committee called the Building Local Strength Commission, chaired by Burger. The charter of the committee was to examine a number of questions including:

- *What are the primary roles and responsibilities of local unions within SEIU's current structure?*
- *What is the emerging paradigm for an SEIU local?*
- *What kinds of structures and practices are needed for local unions to fulfill those roles?*
- *What should our standards be for local unions? How do we make them real?*

Searching for new paradigms

Members were most connected to the union when they were at "war," meaning during organizing and bargaining campaigns. Conversely, members were disengaged from the union when there was "peace."

The Local Strength Committee (LSC) began searching for alternate paradigms for increasing member involvement, including looking outside the labor movement. For instance, the LSC looked at the ability of "megachurches to attract thousands of people to Sunday services while more traditional churches were in decline." The committee considered the adaptability of the megachurch strategy of lowering the bar to entry and creating small, self-organized "affinity" groups, which brought people together around common interests. The LSC considered other ways that the union could connect more effectively to what was important in the lives of its members, but reached the conclusion that until locals could create a more efficient and effective model to replace the consuming work of grievance handling and office administration, they would not be able to adequately focus on the critical task of expanding member activity and leadership.

To address this issue, the LSC turned to the experience of the Australian labor movement, which had reinvented itself after the Howard administration passed a series of anti-union laws, including the abolition of union security and dues checkoff. Of particular interest was the Australians' use of technology and call centers. On a dozen trips to Australia, committee members and other SEIU leaders observed what they considered to be a more effective and efficient way of meeting the informational and representational needs of members. One LSC committee member described the variety of call centers they encountered: "We saw many versions of the call center in Australia. Some were focused primarily on servicing at the highest level. Some were geared

primarily toward promoting organizing. Some incorporated stewards into the representation very clearly and some clearly cut stewards out of that role. Some were primarily used for incoming calls and others got as much use of outgoing calls."

To examine what could be done to increase member involvement, the union engaged an industrial design firm called IDEO. IDEO's methodology was rooted in what they called a "deep dive," which entailed going to locals and unionized workplaces and observing members and union staff as they went about their day. IDEO saw that members were most connected to the union when they were at "war," meaning during organizing and bargaining campaigns. Conversely, members were disengaged from the union when there was "peace." The LSC concluded that members were failing to connect to the union because the union was not providing enough points of entry that corresponded to members' interests and needs.

In 2007, the Long Term Care Division established a task force to examine the practices of locals with significant membership from the newly organized independent provider workforce. The central challenge for the locals representing home-based workers was how to build a union of workers who rarely saw each other or their employer. The task force concluded that the union "can and should develop a national model for what IP home care locals do, and how we do it."

The IP Task Force produced a series of recommendations in seven areas: political engagement and accountability, member participation, local union structure, member communication, contract standards and union services, training and workforce development, and expertise in Long Term Care policy. The recommendations rethink most aspects of traditional local union practice, given that they are rooted in worksite unionism. For instance, the task force recommended that, because of the importance of politics to the union's ability to improve standards for these workers that locals create substructures based on legislative districts.

In 2008, recommendations from the IP Task Force were joined with those of the LSC to form the basis for the Member Strength goals passed at the 2008 Convention. In the end, members of both the IP Task Force and the LSC, many of whom headed locals with worksite and nonworksite members, came to believe that the challenges of working with home-based members and the many others in worksites with fewer than 10 employees helped unfreeze the union's thinking about representational and member involvement strategies and structures unionwide.

Member Resource Centers

Local 1 in Chicago was the first SEIU local to fully commit to a call center model for handling day-to-day representation. In discussing the analysis that led to the decision to implement it, one local leader recalled, "Our data showed that 73 percent of our grievances were 'personal,' meaning individual. Only 27 percent were things we could build the union around. Only a third of our members were filing grievances, and actually 2.5 percent of the members filed most of the grievances. This showed us we weren't serving the majority of the membership. Something like 60 percent to 70 percent of union resources were going into grievances for a minority of the members." Staff members were also often unable to meet the needs of the multilingual workforces they were servicing.

> *"There were fights about it, some said it [the Member Resource Center] wasn't good servicing. But the short story is, lo and behold, it is a cheaper, better service."*

In 2004, Local 1 set up a service center consisting of a call center to take member phone calls and a grievance center that handles problems that rise to the level of grievances. There are six multilingual call center representatives. Estimates were that in 2007 Local 1 was handling 16,000 calls a year. Before, when a member called a business agent, it could take a month before the member got called back. With the service center, a member could call and talk to a live organizer immediately. About 20 percent of cases required more intensive support and were referred to the Grievance Center.

Several other SEIU locals moved to set up member resource centers, each using a slightly different model. In New York City, for instance, Local 32BJ used to have 50 field staff in Manhattan and the four other boroughs, and all of them did grievance handling, arbitration, mobilization, signing up members for COPE checkoff, etc. By 2008, 15 of those staff members worked in the call center and the grievance center and 35 were shifted to focus full time on internal and new organizing. One International staffer close to the call center work observed: "There were fights about it, some said it wasn't good servicing. But the short story is, lo and behold, it is a cheaper, better service. You don't need a business agent around to handle grievances, and the locals get needed data to represent and mobilize their members."

In 2009, the union moved forward with the creation of a centralized call center model, with a plan to involve a majority of SEIU locals by 2012. The Member Action Centers, as they are now called, would eventually cover thousands of collective bargaining agreements and provide comprehensive services to members in their own language, for less money and greater member satisfaction than traditional servicing. The technology and staffing levels needed to provide adequate service were prohibitively expensive on a small scale, but on a large scale would presumably free up resources for member engagement and leadership development.

Streamlining the back office

To free locals from focusing on work outside of their core purpose, a shared services organization (SSO) is being developed to find ways to streamline back office operations such as accounting, payroll, dues collection, procurement and information technology. Since 1996, the IU had created common platforms and assisted locals in upgrading their financial and administrative systems. Locals were required to provide information on their members to the state council and national office. However, each local, no matter how small, still had its own accounting and dues department. The quality of these operations was highly variable, and they could not take advantage of economies of scale.

In studying the issue of decentralized back office functions, the LSC reported that "across SEIU an estimated $30 million was spent on systems that were too often manual, unreliable and inexpertly managed." In 2005, according to the LSC report, each individual local was spending an average of $729,000 a year on IT, accounting and dues processing—all functions that could be streamlined and centralized, improving the quality of services while dramatically reducing their cost.

The targets laid out in the 2008 Convention resolution called for "a majority of members to have 24/7 access to quality information and services from Member Service Centers" and a majority of members to receive administrative services from a shared services organization by 2012. Following the Convention, the decision was made for the Member Action Centers to be housed within the Shared services Organization. The first pilot of a local to begin receiving services from the SSO was set to launch in the fall of 2009.

ISSUES

Resistance to centralizing grievances and administrative operations—*Some leaders and more staff remain skeptical of the call center model for handling member grievances, and others resist taking that responsibility outside the local union. Others see the SSO as the first step in the IU taking over financial control of the locals. To accommodate these concerns, the final recommendation at the 2008 Convention was that locals can choose whether or not to participate in the SSO, including the MAC, and the design of both systems remains sensitive to issues of local control.*

Innovation in a time of rising expectations—*No union has solved the problem of how to engage a majority of members in an increasingly fragmented society. To find answers, locals will have to challenge their own assumptions about why and how people get involved, or risk failure. This is particularly difficult to do when economic times are tough and the expectations around organizing and politics are continuing to increase. One route would be to involve members in organizing and politics, but polls have shown they are the union programs that least interest the average union member.*

Retraining staff to do new work—*As the union moves more of the representation work to phone and Internet based services, some representation staff who are currently doing that work may move with it, but most will be expected to shift to new roles and responsibilities. Not all staff will have the ability to make the transition to the new work, which calls for a different mindset and skill set than many possess.*

SECTION 4

STRATEGIC CHANGE

In the previous section, we discussed the internal organizational changes at SEIU from 1996 to 2009. These changes were accompanied by a series of programmatic initiatives to increase strategic leverage:

- Breakthrough organizing campaigns;
- Focused political action;
- Building the union in the South and Southwest;
- Active stewardship of member capital;
- Global unionism for global power; and
- A new labor federation.

As with its internal structure and organization, the union looked at each of its substantive program areas to analyze how it could better contribute to meeting the union's ambitious goals. Several program areas with strategic impact have been covered in the previous section. Improved communications and identity building, leadership development and member involvement and coordinated bargaining strategies were all critical to achieving the union's goals. In addition, in the field of politics for example, the union worked to substantially increase its resources and revamped its overall strategy to emphasize specific requests to elected officials to support the growth agenda. Other programs, such as the creation of the capital stewardship and global departments, represent new arenas the union believed to be crucial to achieving large-scale growth.

In each area, SEIU generated a set of goals to drive the work, initiated strategic relationships and partnerships, applied substantial resources, and began a process of experimentation.

BREAKTHROUGH ORGANIZING CAMPAIGNS

Having reached the 1 million member milestone in 1992, SEIU leaders determined that further expansion would come through breakthrough campaigns arising from new organizing paradigms. The union invested an unprecedented level of resources into research and development to identify ways to bring new workers into the union. The most successful strategy resulted in the unionization of 365,000 home care workers. How the union was able to identify, develop and capitalize on this opportunity is a lesson in innovation and risk taking.

As SEIU analyzed its core industries, it identified sizeable and growing constituencies that were impossible to reach through traditional, workplace-based organizing: home care and child care providers. These workers are paid through state, federal and county funds, and they tend to work alone, providing their services in their clients' houses and apartments. Some of these workers are hired through private agencies and fit a more traditional employee/employer model, but many more are hired on an ad hoc basis and had been viewed as independent contractors ineligible for unionization.

Organizing the home care industry

The notion of organizing agency-based home care workers began in the United Labor Union (ULU), the union arm of the community organization Associated Communities Organizing for Reform Now (ACORN). In the early 1980s, ACORN discovered more and more home care workers among its members and began to think about strategies for organizing them into a nontraditional union. ULU won several agency home care campaigns in Boston and Chicago, began to sign up independent providers in Illinois, and brought its home care workers with it when it affiliated with SEIU in 1984. The real growth in home care began as SEIU began to focus on organizing the hundreds of thousands of nonagency home care workers who worked for minimum wages and no benefits as independent providers. SEIU Local 880 was to first to win an agreement to represent independent providers when it won a memorandum of agreement with the Illinois Department of Rehabilitative Services (DORS) in 1990.

High turnover and legal issues presented considerable challenges to organizing these workers. In 1987, during the early years of the organizing effort, California state courts ruled that home care workers were independent contractors. Even though they were paid through federal, state and county funds, their employers were considered to be the individual clients, rather than the state or the county. While most unions would have stopped there, SEIU set out to establish a new mechanism to provide these workers with collective bargaining rights by creating employer entities with whom SEIU could bargain. In 1992, the union's lobbying campaign culminated in the passage of a California law that allowed counties to create just such bodies: authorities that would take over the administration of the home care programs and serve as the workers' employers.

That law was only the first step. Next, the union had to get the counties to exercise their right to establish these local authorities. SEIU succeeded in organizing 6,100 home care

workers in Alameda County in 1994, 5,500 in San Francisco County in 1996 and 4,000 in Contra Costa County in 1997. In February of 1999, SEIU gained the right to represent 74,000 Los Angeles County home care workers. This was the culmination of 11 years of work and was the largest single union expansion in the United States since 1937, when 112,000 auto workers joined the UAW.

Between 2002 and 2006, close to $143 million in Unity Funds were channeled through the divisions in support of campaigns that were based upon new organizing models.

The union leadership believed the victories in California and other states occurred through a combination of thinking big, engaging workers, communities and allies for a long campaign through many twists and turns (in a word: patience), and making a long-term financial investment. Other paradigm-shifting campaigns will require similar nurturance. The Unity Fund, discussed elsewhere in this report, was established by the 2000 Convention with this type of "breakthrough" campaign in mind. Between 2002 and 2006, close to $143 million in Unity Funds were channeled through the divisions in support of campaigns that were based upon new organizing models.

Using what it learned about organizing home care workers, SEIU was able to transfer the model to organizing home-based child care providers. Once the contours of the home care and child care models had been developed, local unions were able to apply the basic strategy in several other states. Between 1996 and 2007, 365,000 new home care and child care workers joined SEIU. Major campaigns that combined aggressive political and legislative strategies with one-on-one organizing and membership recruitment resulted in sizeable victories in many states, including California, Illinois, New York, Oregon and Washington.

SEIU breakthroughs in independent provider home care organizing encouraged other unions to compete in the same markets. SEIU spent significant resources competing with AFSCME in home care and child care organizing before agreeing to share jurisdiction. In 2006, a national agreement was reached which divided the jurisdiction by state, including sharing it in some states. AFSCME and SEIU also agreed to create a joint organization for family child care providers in California.

While the success of the independent provider model had brought in substantial numbers, the union had not cracked the challenge of organizing in the private sector—other than in security and janitorial—any more than the rest of the labor movement. Within SEIU, there was a growing sense that without labor law reform, the union would not be able to achieve breakthroughs in private sector organizing. Long an advocate of majority sign-up, in 2008 SEIU committed to the Employee Free Choice Act and has since put huge resources into getting it passed.

BUILDING THE UNION IN THE SOUTH/SOUTHWEST

By 2005, in the words of one International staffer, "We realized we were a bookend union—matching Gore and Kerry's Electoral College votes—with a huge void in between." An internal analysis documented that 81 percent of the union's membership was in six states, and fully 60 percent lived in New York and California. The analysis highlighted the mismatch between the breadth of the union's national political aspirations and the narrowness of its existing political base. As one IU Vice President put it: "Even though we had been extremely successful in California, growing from 330,000 to 500,000 since 1996, we realized that if we continued our work in the state we might be able to add another 100,000, but it would not make nearly the impact it would have if we did it in the Southwest."

The union leadership began tackling this challenge with the same focused resources, staffing and political leadership it had applied to industry divisions. A special Unity Fund for the South/Southwest was set up and top leaders were moved to these geographic areas. Leading the union's expansion in the South/Southwest became the primary responsibility of Eliseo Medina, a veteran organizer who was one of the lead strategists at the United Farm Workers and an SEIU Executive Vice President.

An internal analysis documented that 81 percent of the union's membership was in six states, and fully 60 percent lived in New York and California.

To coordinate the work, a leadership team was created across all divisional and departmental lines at the top ranks of the union. The team put together a four-year plan for the new regional work that included a campaign at Miami area facilities of the Hospital Corporation of America, the Miami and Houston janitorial campaigns, and public sector organizing campaigns in Texas, Arizona and Colorado.

Electing governors and legislators sympathetic to workers' right to organize is central to the strategy for growth in the South and Southwest. To expand its public sector collective bargaining rights, the union allocated funds to elect a new governor in Georgia (but failed to do so). It also was important to organize the power of members in organized markets to pressure employers in nonunion states. The Justice for Janitors campaign in Houston combined recruitment and mobilization of Houston's janitors with the economic power that the New York, Chicago and Los Angeles locals had over their cleaning contractors and building owners. Local 1 in Chicago provided significant staff, financial resources and members willing to take action in Houston and supportive action in Chicago to the effort. The local succeeded in organizing 2,000 Houston janitors.

Although the numbers were modest, the campaign created a local social movement in a dynamic city with very low rates of unionization and broadcast the message that unions could succeed in Houston. From the beginning, team members understood that in a

region where 15 out of 17 states were "right-to-work" states, there was no one roadmap for organizing; the union needed to experiment with a variety of approaches. "As we have become more familiar with the turf," said Medina, "we have discovered that some of our assumptions were incorrect, and this is why we have constant evaluations and planning sessions."

Between 2002 and 2006, in addition to significant spending by the Public Services, Property Service, and Long Term Care divisions, SEIU invested $23 million, or 13 percent of Unity Funds, to organizing and legislative campaigns in the South and Southwest. By 2008, the greatest achievements were in public sector organizing, particularly in Houston, where a joint campaign with AFSCME organized 13,000 municipal workers under a local collective bargaining ordinance.

FOCUSED POLITICAL ACTION

Watching SEIU on the political scene in 2008, it would be hard to imagine how uninvolved the union was in politics in 1996. In the 1996–1998 cycle, the union raised less than $5 million for its political action committee and had a few thousand volunteers. At the time, some SEIU leaders saw politics as a distraction from the priority of organizing. By contrast, in the 2006–2008 cycle, the union raised more than $60 million in COPE funds and fielded more than 55,000 volunteers. SEIU had transformed from a union with a modest political profile to a political powerhouse. The journey over the 12 years had taken the union from a broad agenda without influence to a focused agenda whose influence built over time and then to a widening political agenda with the capacity to effect real change.

Because so many of the workers in SEIU's primary jurisdictions worked in jobs that were all or partly funded with public dollars, the newly elected union leaders in 1996 realized that winning support at all levels of government was critical to winning recognition, good contracts and pro-worker public policies. The first steps to increasing political capacity began at the 1996 Convention. This commitment was further refined with the success in home care organizing, where they saw that they could change the public policy framework through political action.

In the 1996–1998 cycle, the union raised less than $5 million for its political action committee and had a few thousand volunteers.

As a consequence, politics became central to the work of the union, and the political work shifted from a focus on candidates to a focus on issues. This resulted in a more independent political stance, supporting Republicans and third party candidates who supported their agenda and opposing Democrats who did not. "We didn't think left or right but what was good for members," noted an SEIU leader.

As they sought to build their political program, the leadership concluded that politics at all levels of the union was not only underfunded but understaffed. To address this, the IU deployed headquarters staff to assist locals in developing their COPE programs, member political organizing, and legislative efforts. The state councils, whose primary function was to coordinate political activity between locals in the same state, were empowered and expanded to meet the needs of a larger program. In addition, by 2008, all locals more than 5,000 members were expected to have political directors, and many had departments with multiple staff.

With the establishment of a robust political infrastructure at all levels of the union and with the increased political experience and sophistication of SEIU leaders, the union's political program began to expand its scope. At the state level, the union used its political power to influence the debate on quality public services and access to care. At the national level, the union became a major player in healthcare and labor law reform. In

partnerships with allies in the progressive community, the union worked on a range of public policy issues, from bank reform and immigration to green jobs and education.

As part of the New Strength Unity platform, SEIU committed to "speaking with one voice." Specifically, they pledged to stop the practice of SEIU locals in the same political jurisdiction taking opposing positions on candidates and legislation. A major vehicle for coordinating and reaching consensus was the state councils. In most cases, this was successful. In a few high profile situations, California and Massachusetts, for example, local unions were still unable to reach agreement at critical junctures. The difference was there was an expectation that they would speak with one voice, and considerable attention was paid when they did not.

In an internal analysis, the organization estimated that 42 percent—close to half of all growth that came from organizing between 1996 and 2006—was achieved by electing and working with politicians who cared about workers and their families. By committing itself to building a political program that could deliver those results, it created a platform upon which to take a leadership role for a broad progressive agenda.

Campaign politics

One International staffer pointed to the 1998 Gray Davis campaign for governor of California as the watershed moment for SEIU's political program: "We gave Davis a million dollars, and that was the biggest contribution we had ever made. This was a fundamental shift. Up until then, we had done contributions the old-fashioned way, but this was a move to make a significant contribution to a governor, in this case to try to create the political environment we needed to allow what ended up being more than 250,000 home care workers to organize in California.

"We had organized home care workers for 10 years in the state, but we needed to come to terms with the fact that they were dependent upon a political solution. We had to play much more in the political world." After Davis was elected governor, he made good on his commitment to support home care legislation to form a home care authority, and 75,000 Los Angeles home care workers voted to join the union.

"My personal skill that was missing was doing the political work, but I got in the position that I had to do it."

Over the next few years, SEIU became much more active politically. Before 2000, almost everything the SEIU did in politics at the federal level had been done through the AFL-CIO and through contributions to candidates and party committees. In 2000, SEIU began to forge an independent program more tied to issues—not party—and involving engaging members around politics, making its own contributions and independent expenditures, and publicizing its heightened participation. One International staffer recalls, "In 2000, SEIU became a real identity—Al Gore talked about all our members in their purple shirts at his events." In 2002, the union made significant contributions in a number of governors' races to candidates who supported the right of workers to a voice on the job. With the election of some of these candidates, it was later possible to organize home care, child care and new public employees in states such as Illinois, Michigan, Maine and Oregon.

PAC Name	Total Expenditures
Denver 2008 Convention Host Committee	$112,758,397
Minneapolis–Saint Paul 2008 Host Committee	$106,250,250
Service Employees International Union	$71,019,477
ActBlue	$54,382,729
Moveon.org	$38,123,571
EMILY's List	$34,965,661
AFSCME	$33,035,182
Friends of Fred Thompson	$24,316,838
American Federation of Teachers	$20,995,532
National Association of Realtors	$18,383,414

Figure 10: Top 10 PACs by Total Expenditures, 2007–2008 *(Source: Center for Responsive Politics)*

The union also realized that it could not win much-needed changes for working families through the use of soft money alone: it had to increase member involvement through voluntary contributions to its COPE program. In addition to realigning its program, the organization also substantially increased the amount of political money it raised and spent. The 2004 Convention set new targets for local unions to raise $7.20 per member per year for international and local political programs, including $3.60 for COPE. COPE money was sent to the International Union, which also increased International Union resources to fund local union political activity. In 2008, the Convention adopted the standard that 20 percent of every local union's members should be giving at an average of at least $7 per month. This strategy resulted in an increase in spending in politics from $3.9 million in 1996 to $85 million in 2008.

Locals meeting their COPE goals would receive political funds from the International Union equal to the amount raised by the local in excess of its COPE goals ("COPEovers"), which they could then spend on their local political program. Locals falling short of their COPE goal were allowed to meet their fundraising goal by contributing soft dollars plus 50 percent of the unmet obligation to support the union's overall political program. "By 2004 it was a mandate, and by 2006 we began to actually do it," said one staffer. "We went to people and said we would take the deficit amount of COPE money out of their strike fund if they didn't raise it."

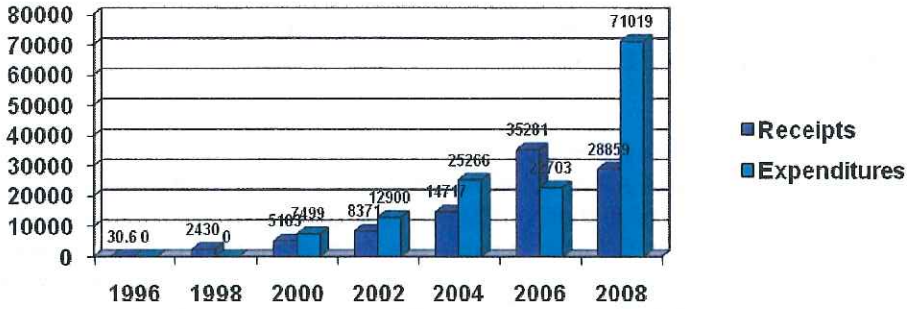

Figure 11: SEIU Growth in Political Receipts and Expenditures 1996–2008, (Source: Center for Responsive Politics)

Furthermore, union leadership decided that its growth agenda called for a truly bi-partisan approach: "Home care is a very nonpartisan policy decision; one that both Republicans and Democrats are comfortable with because consumers like it, and budget and finance people like it because it is cheaper than nursing home care. Rebalancing to home care was popular with Republican legislators." A Republican caucus was established in the union, and there was an uptick in giving to Republican candidates; in pursuit of its growth agenda, the union contributed $500,000 to the Republican Governors' Association.

> *"We now take the approach that we have independent political power. We are not tied to this governor or that leader—because we can put 3,000 members in the street."*

Increasing its commitment to politics required changing the mindset of local leaders and staff. One influential staffer recalls, "In terms of sending a message throughout the union, ours was that politics is no longer a dirty word." Leaders who had eschewed politics to focus on organizing had to learn how to be political leaders in their geographic areas. One Midwest union leader described it this way: "We are being explicit about the fact that we want to be the most effective political organization in each of our states. We have increased by a factor of 20 the attention we pay and the resources we put into politics."

The union also began what it called an "accountability campaign," where candidates who received the union's endorsement were held accountable for their votes on working family issues. In one example, in the face of considerable resistance from the Democratic Party, local politicians and the Congressional Black Caucus, SEIU led the successful fight to replace Al Wynn with a much more progressive candidate, Donna Edwards. Edwards went on to address the delegates at the 2008 Convention, where the accountability campaign received overwhelming support.

At the 2008 Convention, the Justice for All resolution included $10 million to fund a post-election accountability campaign. Anticipating a Democratic victory in November, the IEB voted to support a "100 Days Campaign" where thousands of local staff and members would reach out to politicians to ensure they followed through on their campaign promises. In January, that campaign became "Change that Works." With a focus on healthcare and passage of the Employee Free Choice Act, the union set up a war room

on the first floor of its headquarters building in Washington, D.C. "Our political operation became not just to win elections but to hold politicians accountable, and not just in our own geography," said Burger.

For the 2008 election, more than 55,000 members volunteered for political campaigns through the union and more volunteered directly with the Obama campaign. In addition, the union deployed more than 3,000 member political organizers who came off their worksites and worked full time in close electoral contests in swing states, some as early as April, others in August. "We engaged our members as never before, creating a cadre of political organizers deeper than any other union. These folks went from door-knocking and phone-banking to becoming good field operatives who could work turf, drop literature, arrange local radio spots, et cetera."

Purple power

In 2007, in preparation for the presidential election as well as a number of crucial statewide elections, the IEB decided that COPE participation should be doubled. For the first time, six organizers were hired with the sole purpose of helping local unions design and implement plans for increasing membership participation in COPE. As a result of the team's work, in 2007 SEIU Healthcare locals signed up 64,000 new COPE contributors, increasing participation by 44 percent. Many healthcare locals that had marginal political programs in the past increased their COPE funds by 30 percent or more.

Home Care	184,239
Agency Shop	64,015
South and Southwest	9,669
Total	257,923

Figure 12: Publicly financed workers organized 1996–2006

In addition to helping organize new members, SEIU's increased political activism paid dividends for existing members. A political director of a large merged local says, "We were always good at defensive fights, but becoming offensive was what we needed to do...We used to think about things six months out. Now we are thinking two years out."

Union leaders also described a significant change in attitude: "We take more risks than we did in the past. We used to support Democrats and get our hearts broken, but when we took polls we found that some of these guys were vulnerable, and we went after them. We now take the approach that we have independent political power. We are not tied to this governor or that leader—because we can put 3,000 members in the street."

In 12 years, SEIU transformed itself from a union that barely registered on the political landscape, to a political powerhouse at the national and local level. In 2006, the *National Journal* rated SEIU the nation's most effective political organization. And *Politico* dubbed SEIU as "one of the winners" in the 2008 election. According to one local leader, "there's no question that people talk about the purple machine of members we can turn out for politics in our state and that other unions combined can't come close."

ACTIVE STEWARDSHIP OF MEMBERS' CAPITAL

SEIU members participate in jointly administered Taft-Hartley private sector pension funds with $12 billion in assets, as well as 50 public pension funds with more than $1 trillion in assets. While SEIU members' capital has always been heavily invested in a number of investment vehicles, it has only been over the past 10 years that the union has become actively involved in overseeing it for the purposes of supporting growth.

One important component of realigning the union toward membership growth was the development of an "active ownership" strategy. Member capital was invested in real estate, private equity, and securities, and SEIU analyzed the performance and investment strategies of those investments. SEIU began acting on that analysis to influence pension fund governance, investment policies and investment management. Developing the organizational competence and the capacity to be actively involved in the financial markets involved a substantial outlay: from a staff of one in 1996, the capital stewardship department grew by 2008 to 25 employees with deep expertise in finance, investment and real estate.

"We want to raise standards in those industries in ways that will improve your competitive position. We want to work with you on what those standards should be and get your agreement that you won't oppose us."

In public capital markets, SEIU focused on corporate governance and public policy issues, including labor, human rights and climate change. SEIU's efforts included pushing companies to adopt proxy voting guidelines, engaging with companies on specific issues either in private meetings or at public shareholder gatherings, supporting shareholder resolutions, holding investment managers accountable for their votes, and campaigning against the election of certain directors.

The Capital Strategies Department director Steve Abrecht was an early pioneer in socially responsible pension fund investment and a major strategist within the labor movement on pension fund issues since the late 1970s. The capital stewardship program closely monitored how the union's pension funds were performing, the funds' investment policies, the management of the funds, and how these managers were voting their proxies. The union was concerned about the retirement security of its members but also how those members' funds were being used.

"We need to get in there and have conversations with them to say you are managing union members' assets, investing in companies and industries that we represent workers in," said Abrecht. "We want to raise standards in those industries in ways that will improve your competitive position. We want to work with you on what those standards should be and get your agreement that you won't oppose us." SEIU applied these ideas systematically in the Property Services Division's Justice for Janitors campaign 1996–

2000. Public pension funds invest about 10 percent of their assets in real estate through directly taking control of individual properties. This put these pension funds in the position of direct ownership, giving them decision-making authority on building management, including contracting for all services.

In many cases, the trustees of these public pension funds were elected officials or their appointees who were supportive of the union's organizing efforts. They delivered these messages of support to the major owners of buildings in which their funds were invested. These owners were urged to choose cleaning contractors who provided decent wages and benefits. This work was essential to contract victories across the country, including wins in Washington D.C., Houston and Boston.

A "responsible contractors" pledge that grew out of the Justice for Janitors work had 11 pension funds that members were beneficiaries of as signatories, including Connecticut, Illinois, Los Angeles County, New York, New York City and CalPERS. (CalPERS was the largest fund in the United States, with $165 billion in assets and 200,000 SEIU members as beneficiaries.) The pledge stated that these pension funds would work with contractors who complied with labor laws and provided fair wages, employer-paid health insurance, pension benefits and training.

To protect the jobs of public sector members, SEIU was also working to get public pension funds to adopt anti-privatization policies that prohibited managers from investing in companies that were actively working to privatize public sector jobs. Enforcing these pledges required active monitoring on the union's part, so SEIU was helping to establish an independent organization to monitor and certify that a company had good corporate governance and was adhering to responsible contracting standards.

Private equity buyouts proved extremely lucrative for the investors and corporate executives involved but frequently involved job losses and long-term declines in stock market value. In 2007, SEIU launched "Behind the Buyouts" (www.behindthebuyouts.org), a website devoted to bringing private equity out in the open. On the website, Stephen Lerner, director of SEIU's Private Equity Project, wrote, "The buyout business remains at its core a vehicle for the spectacular accumulation of wealth by the few without regard for the impact on others."

Arguing that the income being accumulated through private equity deals increased the concentration of wealth in the United States, SEIU called upon the private equity industry to play a role in redressing the issue of income inequality by embracing a set of principles for corporate ethical conduct. These principles included greater transparency and disclosure, supporting equitable tax rates, eliminating conflicts of interest, and building the long-term value of the company. In addition, the principles called for private equity firms to require the companies they invested in to provide living wages, affordable healthcare coverage, secure retirement benefits, and the right to organize using majority sign-up without interference.

A NEW LABOR FEDERATION

SEIU leaders had long believed that the weakness of the AFL-CIO was a major stumbling block to rebuilding the labor movement. There was hope that when John Sweeney took the helm of the AFL-CIO in 1995 he would lead the federation with a stronger hand, pushing affiliates hard to put organizing at the top of their agendas. Disappointed in the progress Sweeney was able to make and feeling that the resources they were putting into the federation each year ($9.6 million in 2004) were not being used effectively, top staff and leaders decided it was time to address the issue.

In 2004, SEIU leaders began an internal discussion within the union about strategies for rebuilding the labor movement. The proposal that emerged from that dialog became the basis for bringing a set of unions together: the UFCW, Teamsters, Carpenters, Laborers, UNITE-HERE and eventually the United Farm Workers. In 2005, this doalition devised a set of recommendations for major AFL-CIO changes, similar to the changes SEIU had recently implemented. Among the recommended AFL-CIO changes:

> *"We have learned that a loose federation, a trade association, that allows everyone to act independently of each other, is not going to work in the 21st century."*

- The formation of industry-based structures;
- The establishment of binding processes to let the Federation compel member unions to focus on core industry jurisdictions;
- The requirement that member unions hew to specific collective bargaining standards; and
- The necessity of member unions to engage in strategic union mergers.

Stern stated at the time: "We call for strong industry coordinating committees that have the authority to bargain, make annual organizing plans and prohibit people who are not part of those plans to continue to be involved in that sector. This would end the 30 unions that organize in healthcare every single year." Taken together, the coalition's proposals amounted to a near total redefinition of the federation's role. And the coalition began calling itself Change to Win. Andy Stern said, "We have learned that a loose federation, a trade association that allows everyone to act independently of each other is not going to work in the 21st century."

In August 2005, after a heated 18-month debate about the future of the labor movement and the effectiveness of the current leadership and structure of the AFL-CIO, SEIU led a coalition of five unions, representing about one-third of total federation membership, to disaffiliate and found a new labor federation, which they named Change to Win. Burger became its chair, Edgar Romney from UNITE HERE the secretary-treasurer, and SEIU Executive Vice President Tom Woodruff became the director of the Strategic Organizing Center.

Change to Win launched several high profile strategic industry campaigns and participating unions focused more on making internal changes to support a growth agenda. In 2008, several of the member unions had their best organizing years in a decade. In February of 2008, Change to Win endorsed Barack Obama for president, and the participating unions contributed money and volunteers in crucial primary states months in advance of the AFL-CIO.

Despite progress, the new federation had difficulty establishing a clear identity and compelling vision, exemplified by its inability to come up with a name to replace "Change to Win"; originally designed as a temporary name. At the local level, more than half of the local union affiliates of Change to Win unions either never left or began to drift back to AFL-CIO state and local central bodies through the use of "solidarity charters." Despite intentions to undertake large scale joint organizing, most of the high profile campaigns launched or supported by the Strategic Organizing Center were predominantly single union campaigns.

Despite the bad blood, leaders knew they needed closer political coordination between unions to achieve breakthrough legislation.

Following Barack Obama's election, labor leaders realized the need to approach the new administration with a united labor voice. Despite the bad blood, leaders knew they needed closer political coordination between unions to achieve breakthrough legislation. This prompted the creation of a national coordinating committee that crossed federation boundaries. Chaired by former Congressman David Bonior, it brought together the AFL-CIO, Change to Win and NEA to work out a united front on social policy. Some commentators saw this as the first step in reunifying the labor movement at just the moment when John Sweeney was set to retire. Noted one SEIU leader, "There is no question that in the area of politics, the labor movement would be far better off reunified; I am hopeful that the national coordinating committee can function as that."

In 2009, SEIU leaders expressed no regrets at having left the AFL-CIO, nor any plan to return. The union was strongly supportive of efforts by Change to Win with affiliates to retool organizing strategy and focus on core industries. What has proved more elusive at CTW has been the forging of a common political agenda.

The breakup of UNITE HERE

Tensions between SEIU and some other unions have increased with the breakup of UNITE HERE. One of SEIU's closest partners in Change to Win, UNITE HERE was created through a merger in 2005 of the textile and laundry union UNITE and the hotel and restaurant union HERE. The three unions shared a commitment to organizing and all three had a substantial base of low-wage, immigrant workers. In 2005, they jointly sponsored the Immigrant Workers Freedom Ride and formed a joint SEIU/UNITE HERE organization, Service Workers United [SWU], to organize and represent workers in the big three multiservice companies: Sodexo, Compass and Aramark.

The UNITE HERE merger was based on the premise that these two great organizing unions needed each other: HERE had the majority of members and a growth jurisdiction in hotels and gaming, but was financially insolvent. UNITE was losing its manufacturing base, but still had substantial assets and healthy benefit funds. The merger

acknowledged this arrangement by making Raynor and John W. Wilhelm co-presidents, and investing a great deal of authority in the office, at the same time as granting former HERE locals the majority on the executive board. After four rocky years, where differences in culture and strategy were never bridged, and with the first post-merger convention on the horizon, the conflict between the two sides erupted and many former UNITE vice presidents declared their intention to leave. Their confidence in taking action was bolstered by SEIU's willingness to affiliate the new organization they would become, Workers United. 100,000 Workers United members affiliated with SEIU the day following the founding convention in March 2009.

By actively supporting Raynor and Workers United, SEIU opened itself up to the consternation of both Change to Win and AFL-CIO unions, many of whom protested publicly and privately. UFCW's Joe Hansen attempted unsuccessfully to mediate the breakup and AFSCME President Gerald McEntee accused SEIU of "piracy on the high seas of organized labor." SEIU's involvement in the internal conflict of another union touched a nerve with those unions who were already unhappy with what they perceived to be SEIU's aggressive posture. From Stern's perspective, "forcing people to stay married was not the appropriate thing. Right or wrong, the decision was to rescue one of them, and we would like to rescue both of them." The timing of the conflict, which came on the heels of the trusteeship of UHW, had the effect of amplifying the criticisms of SEIU at a time when the labor movement was campaigning for a breakthrough in labor law reform.

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GLOBAL UNIONISM FOR GLOBAL POWER

Upon assuming office in 1996, in keeping with the pledge he made to direct 50 percent of the IU's income to organizing, Andy Stern eliminated eight departments, including international affairs. At the time, the international affairs department had a staff of two, and as one international staffer recalls, "it basically did politically correct labor tourism at best. Mostly we would go on trips that the AFL-CIO would arrange ... There wasn't a programmatic thing you could explain to any member in terms of how it built power in any way."

In response to the increasingly global nature of service industries, in 2004 the Convention passed a resolution that included a mandate to reach beyond national boundaries to forge strategic alliances. Following that, the International recreated its international affairs department as global organizing partnerships and housed it in the Organizing Department. By the fall 2007, it had a staff of 15, led by veteran SEIU organizer Debbie Schneider. The Global Initiatives Department had three goals: first, to focus on developing the organizing capacity of leading partner federations and unions which could be engines for growth in their regions; second, to encourage more unions to take an organizing approach to rebuilding their memberships; and third, to mount campaigns on targets of direct interest to SEIU.

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As the Property Services Division increasingly found itself facing multinational corporations operating in multiple countries, it began to have more campaigns with a global dimension. Through its work with cleaning companies over the years, SEIU had developed relationships with several service unions in Europe. The union had campaigns going against two major security companies, Securitas, a Swedish company, Wackenhut/Securicor (which became Group 4 Securicor), which involved enlisting help from European unions. SEIU was able to get support from the Swedish transport workers to win neutrality and card-check agreement covering its U.S. operations.

A similar effort to unite with a Danish union around a Danish company was not as successful. The Danish union was not able to help much, and SEIU had little leverage to move the company. SEIU concluded that just relying on the home country union to assist them in their campaigns was not enough: a more sophisticated approach was needed. A staffer recalls, "We needed these companies to be organized worldwide and needed to work with unions in these countries to organize to raise standards together and force these companies to deal with unions and set up frameworks for doing their own national bargaining." This strategy is described in the recommendations for SEIU's global organizing program for 2009–2012: "We aim to help unions actually do the work of organizing. We think our key attribute as a union is that we know how to run organizing campaigns, and that is the greatest lack in unions that are open to the idea of

organizing. We aim then, where the willingness to organize exists, to model our approach to campaigning."

SEIU, in partnership with UNI and country-based unions, engaged in successful campaigns in Poland (winning organizing agreements with a number of security companies including Securitas and G4S), India (joint security campaigns in four major cities), Uruguay (signing up 7,000 building cleaners as union members in the first year of the campaign) and The Hague. In the United Kingdom, SEIU worked closely with the Transport and General Workers Union, organizing cleaners, building an organizing committee, and, for the first time, winning a fair share agreement with the major contractors. In many of these examples, the campaign served as a training ground for union staff abroad to learn about U.S. style organizing.

SEIU also coordinated worldwide campaigns in the property services sector for global agreements akin to card-check neutrality pacts. The most significant campaign focused on Group 4, which was the second-largest private sector employer in the world, after Wal-Mart. with 530,000 workers in 115 countries and the largest single employer on the African continent. The Group 4 work, which began as a recognition campaign targeting Wackenhut for U.S. SEIU members, grew into a multicountry campaign with 30 partner unions in such countries as Cameroon, Malawi, South Africa, Indonesia, India, Morocco and Panama. The aim was to win a global agreement with Group 4. The campaign resulted in Group 4 acceding to recognition agreements for thousands of workers, including 15,000 workers in the United Kingdom, 13,000 workers in Malawi, 3,000 in Nepal, 1200 in Uganda and 16,000 elsewhere in Africa and Europe.

Perhaps the strongest SEIU example of campaigning in another country was the Clean Start work in Australia and New Zealand, a 10-city campaign across both countries that showcased much of what SEIU had learned about industry organizing over the years. Michael Crosby, an Australian labor leader working for SEIU in the region, provided the bridge between SEIU and the Australian unions. SEIU provided the lead staffer, extensive training, and partial funding (later matched by the Australian union) to hire four researchers. At the time, the Clean Start campaign was the biggest organizing campaign in Australia since the 1890s. The campaign involved scores of SEIU staff members and trained six new leads and 20 new organizers in Australia and New Zealand.

SECTION 5

LESSONS AND CHALLENGES

What can other unions and SEIU itself learn from its recent history? We have identified 10 lessons and 10 challenges to consider.

LESSONS

1. THINK AND BEHAVE STRATEGICALLY

SEIU has a regular practice of making strategic plans based on having ambitious goals and a "theory of the case" for how to achieve them. It approaches the creation of strategy with a methodology it calls "evaluate, imagine, decide." This involves an analysis of its environment and resources, a vision and goal-setting process, and hard choices about what needs to happen to realize the plan. The result has had implications for structure, program, resources and leadership. The union's commitment to focus has meant that even daily decisions on what to do need to be justified in terms of their contribution to the overall strategy. In some areas, this involves bucking years of well-established union orthodoxy.

2. CREATE A SUBSTANTIVE AND INCLUSIVE PLANNING AND IMPLEMENTATION PROCESS

SEIU has developed a culture of planning that it believes is essential to ensuring that the union's future is "a matter of choice, not chance." Each planning cycle begins with reviews of earlier plans and the metrics used to track their progress and then moves to envisioning the future and generating ideas. Committees and task forces are designed to pull a broad array of local leaders and staff into the planning process so that many voices are heard and the final recommendations have broad support. The stronger the agreement is on a particular goal, the more accountability mechanisms can be built. Once decisions are made, everyone, even those who disagreed, are expected to implement the plan.

3. BUILD ORGANIZING CAPACITY AT THE LOCAL AND NATIONAL LEVEL

In the 12-year period under study, SEIU invested an unprecedented level of resources in developing organizing capacity at all levels of the union. In 1996, the union made the decision to focus capacity building at the local level, recruiting and training hundreds of organizers for campaigns in local unions. At the International level, the union created a research and strategic campaign capacity that is focused on growth campaigns. Since 2008, the union has moved to integrate local union organizing into a comprehensive growth plan, so that the organizing capacity of the entire union can be brought to bear on priority campaigns.

4. GROW RESOURCES DRAMATICALLY

The union identified lack of resources as a significant barrier to developing its growth and industry programs. It then set out to increase those resources substantially through dues increases and other assessments. These increased resources have enabled the union to place exponentially more organizers into the field, engage in research and development projects, and fund a vastly expanded political program. The control over much of the increased resources has given the International the opportunity to create new programs and various initiatives and experiments designed to expand the union scope and its representational repertoire.

*5. FOCUS ATTENTION **ON STRATEGIC PRIORITIES** FROM TOP TO BOTTOM OF THE UNION*

SEIU determined early that industry strength was the key to raising standards for workers. To focus resources and time along industry lines, the union reorganized itself at every level according to industry and market so it can truly determine where it stands in each of its core areas. Local leaders with a concentration in an industry can focus on employer relationships and government policies that build power for workers in that sector. By focusing on industry, SEIU has been able to develop a sophisticated research and analytic capabilities that have identified sources of union power and leverage to enable the union to win organizing agreements, industry restructuring and contract fights.

6. INVEST IN LEADERSHIP DEVELOPMENT AND CHANGE

SEIU decided early that "leaders matter." The IU paid attention to who was leading locals, particularly large and important locals, and influenced leadership decisions when it could and felt it was necessary. Talented organizers and leaders who supported the growth agenda were encouraged to pursue local elected positions. At the same time, the union used the power of trusteeship and retirement incentives to remove leaders who were corrupt or otherwise failing to represent their members' interests. Over time, the

union made the development of leadership capacity in locals a top priority. Leadership teams were supported through retreat programs, individual coaching, and on-site assistance.

7. SET STANDARDS, CREATE ACCOUNTABILITY MECHANISMS AND PUBLICLY MONITOR PERFORMANCE

For primary goals such as growth spending and political fundraising, SEIU believes in setting measurable goals and systems for reporting results. Even when goals are first introduced and are not mandatory, local leaders report their progress publicly to the IEB and Division Leadership Boards. Locals that adapt quickly are recognized and rewarded, and those that don't are offered assistance. Through the divisions, local leaders set industry-specific standards for COPE and organizing spending and hold each other accountable. In some areas, the union has created consequences for noncompliance, including the ability to compel changes. The divisions are the first line of enforcement, but the International Union president has significant authority to take action against locals that don't comply.

8. BACK GOALS WITH TALENT, RESOURCES AND POLITICAL SUPPORT

When SEIU sets goals, as they have around industry campaigns, building the union in the South/Southwest, global strategies and most recently member strength, they assign talented staff to leadership positions, substantially increase the resources available, and develop strategies to achieve their goals. They also signal priorities by giving IU officers the responsibility to drive the program. They have not always succeeded in reaching goals or overcoming obstacles to success, but they have created a culture that recognizes that goals without political sponsorship, capacity and adequate resources aren't real.

9. INSTITUTIONALIZE REFLECTION AND LONG-TERM THINKING

The union places a high value on time spent gathering data, analyzing, discussing, and planning. From International officers to division staff to local leaders, there is a culture of holding meetings (of ad hoc, temporary and established bodies) to design and implement programs. Over time, the union has gone from thinking in annual planning cycles, to four-year Convention cycles, to, more recently, 10- and 20-year visions and strategic plans. This constant attention to self-analysis and the future creates an atmosphere where leaders are open to ambitious change and experimentation. Leaders have the feeling that SEIU is unique and ahead of the curve, and this is in large part a product of collective self-assessment and planning.

10. BE WILLING TO DISMANTLE CUSTOMS, STRUCTURES AND PROCESSES THAT HOLD BACK CHANGE

According to Stern, there are "no sacred cows—anything that is not helping win is open for change." Locals have changed their names, their boundaries, their leaders and dispensed with their numbers in the interest of broader change. Contract language, constitutions and bylaws, job descriptions and reporting structures—every aspect of the union is open to review. Change isn't only about what's new: it requires a commitment to stop doing those things that aren't core to the mission.

CHALLENGES

1. SHIFTING RESOURCES TO GROWTH

The assumption that locals could reduce expenditures in order to increase spending on organizing proved to be unrealistic. The increase in local spending for organizing was slow until the overall pie was increased. For those locals which reached the goal, the 20 percent allocation to organizing usually came from the new dollars raised through dues increases rather than from a reduction in other spending. In fact, spending on servicing has actually increased since 1996. The union has proven it can increase resources; the challenge now is to make sure those dollars are being spent effectively and efficiently on the priorities of the union.

2. MANAGING STATEWIDE OR MULTISTATE LOCALS

A basic rationale for mergers is to build industry power, in the belief that "focus matters" and "bigger is better." Larger locals, the assumption goes, gain visibility, economies of scale, and more closely match the structure and power dynamics of their industries. Larger locals are able to dedicate staff to politics, research, communications and other strategic functions, and they have the resources to invest in technology and other modernizations. So far, they have not been shown to be less expensive to run, either in representation or administration. While they have more resources to apply to priority campaigns, if they have multiple jurisdictions, large locals tend to focus their representational energy on their largest cities. Their concentration of capacity and complexity of operations can make them islands unto themselves, independent of each other and of the International union. Finally, large locals concentrate power and influence in the hands of a few leaders of large locals.

3. INTEGRATING ORGANIZATIONS AFTER THE MERGER

The union is committed to a strategy of consolidating local unions and doing so quickly, but remains challenged by the difficulties of integrating the organizations and creating a unified culture. Despite being in the same International Union, many locals come from different traditions, structures and practices. While the rationale for merger may be clear

from the standpoint of building power, local members and staff are often sold the merger rather than helping to shape it, with the result that they resist changes or leave during the integration period. Without a plan for post-merger integration, the new local can lose momentum and focus. After a particularly challenging reorganization of the California public locals, the union is now making an effort to be more attentive to the post-merger period. The challenge is how to achieve the potential synergies of the reorganized local without being caught in a long and painful transition.

4. CREATING CONSENSUS—AND ASSURING COMPLIANCE—IN A CULTURE WHERE THERE IS STILL SUBSTANTIAL LOCAL AUTONOMY

Relying on groups of leaders to make decisions together can easily lead to conflict or gridlock. At the same time, moving forward without consensus can make implementation and compliance more difficult. Where the union has been most successful, it has been careful to engage a large number of stakeholders before decisions have been made. Yet still, some local leaders are concerned that important decisions are made without their consultation, and suspect that the seemingly open process is merely designed to get their buy-in. In addition, when the momentum for a particular direction is strong, the desire to be a team player can silence those who disagree. Even when there is vigorous debate, there are still times when the final decision is not supported by everyone. There is a challenge of how the union can move forward with tough decisions in an environment where locals still have substantial authority over their internal affairs, and still keep the process open so that they don't lose critical perspectives, creative tension and opportunities for organizational learning.

5. COORDINATING BARGAINING ACROSS LOCALS WITH DIFFERENT INTERESTS AND TRADITIONS

Unlike the United Auto Workers, CWA and other industrial unions, SEIU has no long-standing tradition of national bargaining. In fact, for many years, locals that represented common employers rarely shared information, much less bargained jointly. Even now, as SEIU manages coordinated bargaining across the union, differences in how each local selects committees, develops proposals and runs contract campaigns make the process difficult. In reaching agreements, the union has to manage tension between the haves and have-nots, as well as the differences in decision-making processes and philosophies. The union began to address these issues in a resolution passed at the 2008 Convention, but the challenge remains in how to structure participation and decision-making so the union reaches the best agreement possible and all interests are adequately represented.

6. CREATING ADEQUATE BENCH STRENGTH AND HANDING OVER THE REINS TO A NEW GENERATION

Many leaders of the IU and of important locals are members of the same generation, early baby boomers, many of whom came to SEIU in the 1970s and 1980s. A second major influx of talented staff came into the union in the 1990s. Some of these leaders

were moved up quickly and in some cases were unable to perform, resulting in leadership problems, including ethics violations. The size and complexity of large locals, divisions and programs of the International Union means that it is more difficult to find people with the experience needed to lead. In the same way, the leap from being a member leader to being a full-time officer can be daunting. Even with younger leaders taking increasing amounts of responsibility, many current leaders see a shortage of seasoned leaders in the pipeline, making succession a major challenge in the coming decade.

7. MAINTAINING UNION DEMOCRACY WHILE CENTRALIZING POWER TO WIN

SEIU's view is that to be able to organize large numbers of new members in an advanced industrial society, the union needs the structure to match the multinational corporations it engages and the discipline of an army. This leads to criticism both within and without that SEIU is both too top down and too corporate. The challenge for a union whose stated mission is "improving the lives of workers and their families and creating a more just and humane society," is how to engage members in determining the direction of the organization and still operate at the same level as the multinational corporations and powerful state governments where its members work.

8. ASKING LOCAL LEADERS TO ACT AS INTERNATIONAL LEADERS

There is enormous value to local leaders balancing the needs and views of their immediate constituency with those of the International Union, but this creates difficulties as well. On the one hand, if local leaders are unable to rise above parochialism and participate in nationally coordinated union strategies around common employers and issues, the union will not be able to move beyond the few markets where it is strong or gain influence on a national level. On the other hand, local leaders know they have been elected to defend the interests of their members. If they don't think and act like local leaders, the International may lose critical perspective from the vantage point of members and their communities.

9. CREATING STRONG DIVISIONS WITHIN AN INTERNATIONAL UNION

While divisionalization has provided focus for the union in its major sectors, it creates challenges as well. The placement of locals or bargaining units into divisions is not always straightforward. Is a public hospital in healthcare or public services? Furthermore, the IU and many local leaders are concerned the divisions are becoming silos: self-contained systems without enough interdivision coordination. This has sometimes led to the union tripping over itself, such as making multiple, uncoordinated approaches to state and local politicians. The challenge is how to create a unique identity and culture within a division without creating a disconnect from the rest of the union.

10. MAINTAINING TRUST IN NATIONAL BARGAINING WHEN DIFFICULT COMPROMISES ARE NEEDED TO ACHIEVE GROWTH

A critical component of the union's private sector growth strategy has been to reduce employer opposition to unionization. To achieve neutrality, the union has taken either an adversarial approach—where the employer ultimately calls for a truce—or a value-added approach, such as helping the employer secure additional public funding. When employers such as Kaiser Permanente have entered into a partnership with SEIU, this strategy has succeeded in both growing the union and improving standards. Where the employers are hostile, it has proven difficult to lower their resistance, even when the union is a strong potential ally. While some argue the IU is too quick to settle for too little in order to increase membership, others claim that union density within industries and markets is the only path to high standards for all.

SECTION 6

APPENDIX

SEIU CHART OF MEMBERSHIP GROWTH 1987–2008

Year	Total	US	Canada
1987	848,326	776,950	71,376
1988	865,549	791,801	73,748
1989	938,917	863,027	75,890
1990	959,785	881,908	77,877
1991	1,002,160	925,204	76,956
1992	1,017,690	938,801	78,889
1993	1,041,237	962,455	78,782
1994	1,053,344	977,689	75,655
1995	1,084,720	1,004,961	79,759
1996	1,086,735	1,007,506	79,229
1997	1,111,078	1,031,886	79,192
1998	1,230,783	1,150,106	80,677
1999	1,284,111	1,203,838	80,273
2000	1,402,798	1,307,553	95,245
2001	1,451,025	1,356,595	94,430
2002	1,481,778	1,395,810	85,968
2003	1,503,102	1,416,306	86,796
2004	1,650,033	1,559,674	90,359
2005	1,703,861	1,612,141	91,540
2006	1,829,328	1,742,030	87,298
2007	1,896,255	1,776,623	89,632
2008	2,003,124	1,908,703	94,421

Source: SEIU