

# Making the impossible happen

If you still think of Sweden as one country whose public service unions have never had to deal with a serious campaign of municipal privatisation then you obviously have not heard of Helsingborg. And if you did not realise that those unions are also keeping alive their county's reputation for innovation in public service development then you cannot have heard of Malung.

What has happened in Helsingborg, where public service workers have been among the main victims of big changes in local government services, could hardly be different from what has happened in Malung, where the workers have been driving the change. Yet the latter is in some way a response to the threat of the former. What happened in Malung is the product of a bold union initiative which has since inspired similar change in some 60 other Swedish municipalities, involving 30 000 workers a year by 1995 - to come up with an alternative to contracting-out.

What public service union SKAF (the Swedish Municipal Workers Union) developed in Malung is an alternative that saves money, improves quality of services, and increases job satisfaction, all at the same time. An impossible dream? Read on - but first, the all too possible nightmare.

## **The nightmare**

Olof Johansson, European affairs officer for another major public service union,

*Brendan Martin shows how public service unions in Sweden have developed alternatives to privatising local government.*

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SKTF takes up the Helsingborg story: 'Activities in the local government sector in Sweden have changed at a rapid rate in recent years. This transformation has been accelerated by growing economic problems. But structural changes are not taking place solely for economic reasons. In certain local authorities - mainly those controlled by non-socialist parties - there has been a clear, more ideological emphasis on efforts to market large parts of the service output.

One example is the local authority of Helsingborg in southern Sweden, where a four-party non-socialist coalition has, since taking power, had the objective of privatising local government activities or contracting out local government services to private entrepreneurs, and also of trying to avoid starting new activities under local government auspices.

The ambitions in Helsingborg were for 25% of child-care services to be run privately within a three-year period, as well as for primary health care and nursing homes to be reorganised into 'care

companies' and entrusted to contractors. Public transport has been sold, and there has even been an attempt to transfer the city library to a contracting operation, but this failed.

What have the consequences been to date for employees of the Helsingborg local authority? During 1992, 44 jobs disappeared, 201 people were given notice, 44 people received early retirement pensions or retired voluntarily with severance pay, 1 000 temporary employees were eliminated.

According to Johansson, similar changes have taken place in many other local authorities and country councils - the Swedish Association of Local Authorities estimated that 50 000 Swedish local government jobs, which is more than 15% of the total, were lost between 1992 and 1994 as a result of reductions in central government grants. Politicians, he writes, 'have not accepted their responsibility for ensuring that the changeover takes place in such a way and at such a rate that reasonable attention is paid to the consequences for employment, local services and investment requirements'.

### **Unions take responsibility**

That charge could not easily be levelled at the initiatives taken by his own union and

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by SKAF, although both unions' approaches to the threat of contracting-out and the financial problems of local authorities are controversial. Again, let us allow the union's spokesperson on the subject to speak for himself. Here is Lars-Ake Almqvist, who, after several years as a trade union officer of the more traditional type, now heads his union's special development and management department, Komanco: 'In order to confront requests for cuts in public services or privatisation, SKAF has realised that just trying to refuse changes is not very constructive, especially as some of the accusations of inefficiency in the public services have definitely been true.'

SKAF has for many years stressed that the traditional hierarchical organisation of work in local government administration must of necessity be inefficient if it does not involve the knowledge and experience of the employees.'

Like SKTF, SKAF rejected the standard cuts and privatisation package as imposed in Helsingborg. It also devised a practical alternative: 'We started to develop a model to build more efficient, non-hierarchical organisation by involving the employees, with the aim of saving money without making people redundant.'

Our ideas were tested in 1991 in one municipality - Malung. The goal was to decrease costs by at least 10% within three years. Already in 1992, Malung had saved 10,5%.'

Dramatic progress, and possibly even too dramatic for the initiative's own good, since there may have been some special factors - in particular a mild winter - which boosted the financial results in Malung that year. That might have had the effect of raising expectations a little too high, but in any event enough was proved by Malung to persuade the union to develop the method for use elsewhere.



SKAF called the model 'Kom An!' (Come on!) and claim a 100% success rate for its application in 60 municipalities so far. The secret? Well, the secret is that there is not one. It is fundamentally a question of trusting - and acting upon - the experience, knowledge and expertise of the key experts in any organisation - the workers at the front line.

### The Komanco approach

Under the Komanco approach, when a decision has been taken to set up a project in a workplace, all the employees are informed and then divided up into groups of between eight and 12 people, each with an appointed leader. Then the groups spend as long as ten months analysing their organisation, identifying its strengths and weaknesses and finding ways to build on the former and eradicate the latter. Komanco's brochure stresses that 'creativity needs elbow room, and that 'work for change takes time'. Almquist explains: 'The members become researchers in their own jobs. They discuss how to improve quality; where responsibility lies and should lie, what are their training needs. They measure the costs of specific tasks, so that each person knows the costs associated with their own job'

The workplace groups break down their organisation's budget into its smallest components, to enable everyone to understand it and see where the money goes. Each employee gets to learn the costs associated with his/her own job and to develop ways of reducing them. Structures are flattened, with hierarchies reduced to the minimum. Training needs are identified and personal initiative encouraged.

One of the workers becomes a tutor who receives training from Komanco before systematically meeting fellow

employees over a period of five to six months to analyse every problem in each employee's work experience and assist them in developing their own solutions to them.

Although the self-consultancy approach is common to the Komanco projects, its outcome, of course, varies. In one case, the members developed their own system in which individual workers took particular responsibilities for budget, sickness monitoring, temporary redeployment and a range of other management tasks, linked together in a way that inspired the name they gave the system, 'the spider web model'.

In another case, the workers developed a purpose-designed computer programme to predict staffing and other resources needs in their hospital wards. Their system measures levels of dependence of patients against a number of indices, such as their ability to feed themselves, their toilet needs, their mobility, availability of social contact, ability to manage personal hygiene needs, and so on. Giving each patient marks from one to three against the various categories, the staff then tot them up to assess nursing needs in the ward as a whole. At the same time, they developed a system to examine their own activities, identifying ways to make more time for direct patient care by reducing the amount they spent on, for example, administration.

It may sound like traditional time and motion studies, with all the associated hazards, and some might be offended by the quantification of patient need. The public service workers who have joined the SKAF team as consultants (Komanco has selected and trained some of its members in the new role) have answers to both objections. One says: 'I used to work as a nurse myself, and all the time I would try to explain to managers and politicians



better ways of managing things. But they would not listen because it was just words – when you quantify it, it helps the dialogue.'

As for the dangers associated with measuring the time taken on particular tasks and identifying how to make savings, SKAF has protected members against being victims of their own diligence by closing the system so that only the workers themselves have access to the details. The programme cannot be used by management to examine individual performance.

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### **Changing management's role**

However, what all this self-management can lead to, not surprisingly, is a greatly changed role, and much anxiety, for managers and administrative staff. Says Almqvist: 'Certainly, they do get afraid of their role being taken away. We have to show them that they can become internal consultants. We have had very frank discussions with SKTF. There has been some tension, but people realise it has to go like this. SKAF and SKTF agree about public service development – that we need to remove unnecessary management layers, to make fast and accurate decisions without unnecessary bureaucracy.'

Public sector organisations with the traditional pyramid hierarchical structure can no longer be defended, because they cannot solve our economic problems or provide the right working conditions or

give the best quality of service. We need new systems not because the old ones were always wrong – they were right for their time – but because the new era requires new concepts.

Our ethos has been more concerned in the past with public structure than with quality, but we will defend the idea of public service only through good results. The more people get to control their own jobs, the more interesting it becomes and the greater their job satisfaction. It leads to better management and pay systems, which produces real job security in the long run because it is the only way to increase productivity.'

SKTF, too, has attracted a great deal of media attention in Sweden by backing up its campaigns with well-researched information. According to SKTF's Kristina Malmberg: 'By collecting facts about the effects of the cutbacks and what citizens think, we have been able to show that the politicians have not, in fact, had the citizens' mandate for the drastic changes undergone by local authorities and country councils in the past few years. We have shown that it costs more for society to dismiss local government employees than to let our members continue in their jobs in such important areas as child care, education and care of the elderly. We have shown that the citizens are prepared to pay more in tax to retain care and services under local government auspices.'

This latter point, it seems, is disputed by SKAF's Komarco, whose brochure " maintains that 'tax increases are no longer possible' and that 'municipalities and country councils cannot count to any great extent on being able to solve problems with the help of increased resources'. Instead, it adds, 'on the basis of existing (and occasionally even smaller) resources, they must ensure that they do the right things in the right way.'



However, SKTF is just as committed as SKAF is to using public resources more efficiently. Just as Komanco enthuses about the way in which its approach to organisational development 'releases enormous energy and creativity among the employees for the development and improvement of local government services', SKTF stresses the importance of helping members to develop their knowledge and skills to match future needs. Kristina Malmberg states 'In the future, the employers will assess how useful employees are in the organisation. The aim is for ever-fewer employees to be able to carry out ever more complex tasks. The fact that the development of activities and enhancement of staff skills go together is a necessity for the future. Changes have never taken place before on such a large scale, or as rapidly, as today. Greater mobility and flexibility are required within and between administrative units in local authorities and country councils. Accordingly, the knowledge of employees must be both broadened and deepened.'

### **Developing new skills**

Noting that Sweden's demographic structures means there are not enough well-educated young people joining the labour market to meet all the country's skills needs, Malmberg adds 'For this reason, we have devoted a great deal of work to pushing the question of measures to develop skills for our members. The employer bears a heavy responsibility for employees' ongoing development. Our members' knowledge and skills are an important factor in job security, good job conditions and an upward pay trend. They are therefore also an important trade union issue.'

By training employees and elected representatives in SKTF, we have rapidly gained a hearing for the view that this is

an issue we must constantly incorporate into union work. By courses, seminars, members' meetings and support material, we have induced the members to assume greater responsibility for developing their own skills.

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The same spirit imbues SKAF's approach, as Komanco's brochure expresses 'An increasing number of employees regard the existing work organisation as out of keeping with the times. We also know that the employees insist on being able to develop their potential in their work, which in turn frequently requires a new work organisation.'

Unlike the privatisation and marketisation of Helsingborg, this cannot be imposed from above. 'It is crucially important that all the employees at a workplace should be allowed to take part in shaping the future. The effect of this is that everyone is mobilised as part of the creative process. Their expertise and experience are put to use and the quality of the suggestion made is higher. Participation means that the employees are prepared to "let themselves go" and even try out unexpected solutions. Changes are seen not as threats but as opportunities' ★

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