SEIU Local 36 Benefits Office: The Y2K Crisis and Its Aftermath

Ira Yermish
St. Joseph’s University, USA

EXECUTIVE SUMMARY

This case describes how a service organization approached the Y2K compliance issue and how a complex decision-making process led to near operational disaster. We will see how software vendor relations can be complicated by vendor viability and technological innovations. Another issue we will explore concerns opportunities for personal growth and expanded responsibility in a small business environment. We will see how turnover creates stresses, particularly in an organization of this size. Changes in focus from developing in-house expertise to more extensive use of outside support will be examined. Finally, we will examine the relationships that exist among the various service suppliers and how data is interchanged between these suppliers and the organization. While standards exist in other fields, none have been adopted here. Case readers will be encouraged to formulate up-to-date management strategies that address these issues head-on.

BACKGROUND

The Service Employees International Union (SEIU) represents workers in the janitorial and service fields. The union is active politically on a national level as can be seen on the homepage of their Web site (see Figure 1, www.seiu.org). Despite a general downward trend in union membership, SEIU continues to grow, particularly in metropolitan areas with large immigrant populations.

Local 36 of SEIU is located in Philadelphia and the surrounding Delaware Valley region. The Union Local has about 3,000 full-time and 300 part-time workers primarily in the janitorial, window cleaner and maintenance trades. Over the years this membership has been quite stable. The Union Office is responsible for developing the Union membership, for negotiating contracts and for addressing member/contractor disputes. The Benefits Office is separate from the Union Office and provides the administrative support for the health, welfare, and insurance and pension benefits negotiated as part of collective bargaining agreements with various employer groups. Though the two offices are in the same building in downtown Philadelphia, they are separated by more than just 13 floors. The Union Office has pressure to provide more benefits for the members at a lower cost to the employers. The Benefits Office seeks to maintain these benefits in a cost-effective manner for the long-term stability of the underlying funds.
Figure 1: SEIU International Homepage

SEIU Action Center--Welcome!

Welcome to SEIU.org, the online home to 1.4 million union members, united to improve the lives of working families.

Featured Campaigns

Fight Against the Bush Tax Cut
Get the facts about what the Bush tax cut really means for working families, and find out what you can do. Plus, see and hear SEIU's TV and radio ads! Check it out!

National Nurses Week
May 6-13
Nurses: This year's National Nurses Week is a perfect time to send politicians a message about the need for safe staffing. Get involved in SEIU's national Stand for Patients campaign by sending lawmakers a message in your nursing shoes.

Justice for Janitors
East Coast Campaign
SEIU's Justice for Janitors East Coast Campaign is ON! Learn about this fight involving 20,000 janitors in Baltimore, the Philadelphia suburbs and northern New Jersey, and get involved.

SEIU Caregivers Call for New Ergonomics Standard
Read more . . .
April 30, 2001
Injured SEIU nursing home workers from New York, Pennsylvania, and New Jersey went to the U.S. Capitol last week to urge lawmakers and President Bush to create a new ergonomics standard to protect them from painful injuries. The visit came just one month after the President killed the previous ergonomics standard and just within days of Workers Memorial Day.

Ask a Working Woman Survey
Working women: Voice your concerns and priorities to help map out a national working women's agenda. To participate,

http://www.seiu.org/

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