Trimming Public Organizations:
Impacts on Quality of Working Life

by
Mary Elizabeth Lucci

B.S. University of Massachusetts
(1973)

SUBMITTED TO THE DEPARTMENT OF
URBAN STUDIES AND PLANNING
IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS OF THE
DEGREE OF
MASTER OF CITY PLANNING

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

June 1981

Mary Elizabeth Lucci

The author hereby grants to M.I.T. permission to reproduce and to distribute copies of this thesis document in whole or in part.

Signature of Author

Department of Urban Studies and Planning
May 19, 1981

Certified by
Donald Schön
Thesis Supervisor

Accepted by
Chairman, Departmental Graduate Committee

LIBRARIES
TRIMMING PUBLIC ORGANIZATIONS:
IMPACTS ON QUALITY OF WORKING LIFE

by

MARY ELIZABETH LUCCI

Submitted to the Department of Urban Studies and Planning
on May 21, 1981 in partial fulfillment of the
requirements for the Degree of Master of City Planning

ABSTRACT

Cutbacks in revenues to the public sector are creating the need
for public officials and administrators to develop strategies for coping
with reduced budgets. Across-the-board budget cuts, reductions in force
based upon seniority hiring and firing rules and across-the-board reduc-
tions in wages and benefits are three common responses. These responses,
which I call "trimming" are the result of a tradition of adversarial labor-
management relations and the desire of management to maintain control and
avoid disruption during the crisis precipitated by cutbacks. The costs of
trimming include a reduction in the quality of the working environment in
the public sector and the potential long-term reduction of productivity.

A case study of the process used by the Town of Belmont to cope
with budget reductions as a result of the passage of Proposition 2 1/2 is
analyzed to determine how and why the trimming process was carried out,
how the process itself affects the quality of working conditions in the
public sector and what the possibilities are for changing the coping pro-
cess to a more open, equitable and efficient process. The framework for
analysis is a set of working conditions which underlie both productivity
and the quality of work life.

The conclusion drawn from the case is that if the trimming process
is to be avoided public employee unions must aggressively pursue both
their rights to participate in cutback decisions through the collective
bargaining process and broaden the scope of issues which they bargain over
to include a more participative process for cutting back.

Thesis Supervisor: Donald Schôn

Title: Professor of Urban Studies and Planning
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract</td>
<td>1</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>ii</td>
</tr>
<tr>
<td>Preface</td>
<td>1</td>
</tr>
<tr>
<td>I. INTRODUCTION</td>
<td>3</td>
</tr>
<tr>
<td>Why Cutbacks?</td>
<td>3</td>
</tr>
<tr>
<td>Where to Cut?</td>
<td>4</td>
</tr>
<tr>
<td>Productivity and Cutbacks</td>
<td>6</td>
</tr>
<tr>
<td>II. WORK IN THE PUBLIC SECTOR</td>
<td>12</td>
</tr>
<tr>
<td>Existing Conditions of Work</td>
<td>12</td>
</tr>
<tr>
<td>QWL in the Public Sector</td>
<td>13</td>
</tr>
<tr>
<td>Trimming, QWL and Productivity</td>
<td>16</td>
</tr>
<tr>
<td>III. CASE STUDY: IMPLEMENTATION OF PROPOSITION 2½ IN BELMONT, MASSACHUSETTS</td>
<td>19</td>
</tr>
<tr>
<td>Introduction to Case</td>
<td>19</td>
</tr>
<tr>
<td>Background</td>
<td>23</td>
</tr>
<tr>
<td>Tradition</td>
<td>23</td>
</tr>
<tr>
<td>Budget Process</td>
<td>24</td>
</tr>
<tr>
<td>Labor Relations</td>
<td>26</td>
</tr>
<tr>
<td>Response to 2½</td>
<td>31</td>
</tr>
<tr>
<td>IV. ANALYSIS OF CASE</td>
<td>46</td>
</tr>
<tr>
<td>Introduction</td>
<td>46</td>
</tr>
<tr>
<td>Belmont as an Example of Trimming</td>
<td>47</td>
</tr>
<tr>
<td>The Board's Position</td>
<td>49</td>
</tr>
<tr>
<td>Secrecy</td>
<td>52</td>
</tr>
<tr>
<td>Formal and Informal Processes</td>
<td>53</td>
</tr>
<tr>
<td>Outcomes</td>
<td>54</td>
</tr>
<tr>
<td>Equity</td>
<td>55</td>
</tr>
<tr>
<td>Trimming, Productivity and Levels of Services</td>
<td>56</td>
</tr>
<tr>
<td>Conditions for Quality of Working Life</td>
<td>59</td>
</tr>
<tr>
<td>V. COPING WITH CUTBACKS</td>
<td>62</td>
</tr>
<tr>
<td>Changing the Coping Process</td>
<td>65</td>
</tr>
<tr>
<td>Long Term Change</td>
<td>65</td>
</tr>
<tr>
<td>Diagnosing Change Needs</td>
<td>65</td>
</tr>
<tr>
<td>Shifting to a More Cooperative Process</td>
<td>68</td>
</tr>
</tbody>
</table>
References Cited

Interviews

Appendix A  Changes in Labor Force Expectations
ACKNOWLEDGEMENTS

There were many times during the writing of this thesis that getting done seemed impossible. Anyone who has written a thesis or similar piece of work can probably identify with the feelings of desperation that come with sorting out what you can and cannot do in the space of a few months, finding the discipline to work when you are not quite sure what you are working on and sorting out what you know and what you can find out about, wish about, guess about, or forget about. Patient ears, supportive and probing comments and lots of care, feeding and laughs were essential ingredients to the completion of this thesis.

My deepest thanks to Don Schon for many hours of thought provoking discussion and his help in putting together a framework for integrating the pieces of what I wanted to say in this thesis. Thank-you's also go to:

Martin Krieger - for helping me to get this thesis off the ground;
Dick Beckhard - for comments which always got right to the heart of what I was trying to say or had forgotten to say;
Mike Lipsky - for assistance in choosing the case and comments on the draft;
Cameron, Andy, Becky, Tom and Greg - for providing transfusions of energy, and taking the time to listen and offer different ways of looking at things;
Lydia, Brian, Ginny, Bri - for being around during the crunches;
Mary Weber - for terrific typing.

And, finally, to all the people in Belmont who provided me with the interviews and materials for the case study.
Cutbacks in revenues coupled with the forces of inflation and escalating energy prices are creating the need for public officials and administrators to develop strategies for coping with new fiscal constraints. A common response to the externally-generated demand to cutback is trimming. The strategy of trimming utilizes one or more of the following actions:

- across-the-board budget cuts within departments or agencies
- layoffs based upon seniority hiring and firing rules
- across-the-board reductions in wages or benefits

The management objectives underlying these actions are maintenance of control by management, maintenance of existing organizational structure and avoidance of disruption to daily work processes. Staff workers to not participate in the trimming decisions. The external impetus to trim is derived from the perception that the costs of government are generally out of control and budget cuts should therefore be spread equally among all agencies or departments facing reduced revenues. Trimming to cope with shrinking budgets reflects a set of assumptions, values and strategies held over from earlier periods of organizational growth, growing budgets and a decision-making process designed to allocate scarce resources to competing groups. What public organizations face now is a dramatically different situation. Shrinking gradually in terms of staff and other resources may be very different from growing gradually. Managers are taking away re-
sources and the manner in which reduced resources are allocated has im-
portant implications for not only the delivery of services to client groups
but for the work lives of public employees.

The rapid growth of the public sector to a workforce of 14 million
civilians (Rosow, 1978) is being succeeded by a period of reductions in
force. These direct attacks on job security and wages are only part of
the message that public employees are receiving. An additional and
equally important message is that their work is valued less by the public.
To argue that there is not waste, fraud or inefficiency in the public sec-
tor would be naive. To argue that it is equally spread among departments,
at various levels of government or among individuals is equally naive.
The practice of trimming has potentially drastic implications for both
the productivity and the quality of worklife for public employees. For
employees who remain after trimming takes place, the spectre is one of
increased uncertainty surrounding job security, reduced autonomy and con-
trol as management tightens its belt and reduced opportunities for advance-
ment by virtue of actual organizational shrinkage. Commitment to public
service is unlikely to flourish under these conditions and the likely out-
come of reduced commitment is reduced productivity.
I. INTRODUCTION

The number of public organizations faced with the problem of coping with budget cutbacks is increasing daily. Inflation, shifting priorities and changing external demands are already facts of life for many public organizations struggling to maintain service levels and quality in the face of increasingly stringent economic constraints. Public officials and managers are caught in the crossfire between a public which wants more for less and a work force that is doing less for more. There are no signs that this conflict is going to de-escalate in the near future, and in fact, indications are that the tension between dollars and services will increase. The public is expressing its disapproval by voting for drastic tax cutting measures, the message inherent in all of these measures being for government to shape up.

Why Cutbacks?

Given visible fiscal crises of local governments (New York City's near collapse and Boston's fiscal crisis of two years ago) why are voters so willing to undermine the financial position of municipal government? Levy and Lamolo (1978) argue that in California, the failure of several tax reform efforts, the rapid increase in housing costs and property taxes and the concern of many homeowners that continual increase of property taxes could price them out of their homes all contributed to the passage of Proposition 13. In Massachusetts, similar failures on the part of the legislature to initiate reforms, publicly disclosed scandals involving mismanagement of public funds, 100 percent valuation of property, infla-
tion, and rising housing costs may have had similar influences. An interesting similarity between California's Proposition 13 and Massachusetts' Proposition 2½ is that both simply cut a major source of revenue\(^1\) i.e., the property tax, without shifting revenue sources or expenditures, thereby leaving the resolution of the widening revenue-expenditure gap to state and local officials.\(^2\) The "public" did not say what it was willing to do without or if it expected the lost revenues to be generated from new sources. In Massachusetts, municipal officials will implement various measures to translate the budget cuts imposed by 2½ into policy initiatives designed to respond to the demands of their individual constituencies.

Where to Cut?

The public that is insisting on tax cuts is not clamoring for reduced services nor offering agreed upon recommendations on where to cut. For example, a "Globe Spotlight" article on the Boston Police Department\(^3\) revealed that although a pilot program for evaluating the work of detec-

---

\(^1\) Property taxes are viewed as least fair tax on even a national level. A national sample responding to the question, "which tax is least fair?" yielded the following results: property tax--33%; federal income tax--28%; state sales tax--17%. (Source: Advisory Committee on Intergovernmental Relations. Changing Public Attitudes on Governments and Taxes. Washington, D.C. October, 1977.)

\(^2\) Proposition 2½ mandates that towns and cities in Massachusetts reduce property taxes by 15 percent a year until the total tax levy reaches 2.5 percent of full market value. Motor vehicle excise taxes are reduced by 62 percent...from $66 to $25 per $1,000 valuation.

tives found much inefficiency, its results were ignored for three years and similar efforts were not undertaken in other departments. Many letters to the editor and columns have also blasted the efficiency of local governments with references to particular programs. The message is...to cut out the fat.

Public bureaucracies conjure up images of towering, mismanaged hierarchies populated by ineffective, bumbling public employees engaged in petty power games and the drive to simply endure. These images coalesce to create a picture of bureaucracy as an institution which lives and breathes on its own--without connections to the clients who depend upon it, and the people who devote their lives to building it and trying to make it work. The notion that bureaucracies are fat and can be trimmed is accompanied by the expectation that even after trimming, the reduced whole will be able to meet the same demands. But, while the system as a collective appears to behave irrationally, it is populated by members whose every day behavior is eminently rational.

Rather than undergoing a critical self-examination to diagnose where the fat is located, the public sector is undergoing a trimming process. The constraints of existing structure, political context, policies and procedures are coupled with the notion that trimming is an equitable, low cost way to cope with budget cutbacks. Trimming is not the low cost response to budget cutbacks that public officials and administrators believe it to be. Both the organization and employees incur higher costs than anticipated because trimming effects more than the individuals who are dir-
ectly impacted by staffing or salary decisions. Trimming to meet fiscal constraints ignores the very important systemic components of organizations. Trimming introduces change into a system which is characterized by complex interrelationships involving both shared and conflicting goals and norms of behavior among individual members and groups within the organization who must relate and respond to the external environment. Cutbacks provide an opportunity for a drastic rethinking of how public organizations are structured to provide services. The frontal attack on bureaucracy provides an opportunity for introducing internal changes in response to the new demands being placed upon public organizations from the outside.

**Productivity and Cutbacks**

The recent passage of Proposition 2½ in Massachusetts is forcing local officials to make decisions which take away or reduce funding for some public services. Public officials are relying on their familiar array of methods to deal with a situation which was imposed upon them from the outside even though budget cuts introduce new conditions, constraints, demands and opportunities into their organizations. Public employees can expect layoffs, cutbacks in supporting services and supplies and pressures to somehow maintain or improve public services under conditions of severe fiscal constraint. For those who remain employed, the conditions of work will be changed. Some public services will be contracted out or sold on a user fee basis. Those services which are particularly unsuited for distribution by private markets will remain in the domain of public services. Employees working in agencies providing these services will be subject to
greater and greater scrutiny by a public unwilling to trade tax dollars for inefficiently managed services. What will the quality of working be like for these employees? Can public sector productivity be improved? Bahl et al. (1980) argue that measuring productivity per se is not the issue ...rather than the public perception that the decision-makers live up to their responsibility for efficient management of the public sector is the critical concern.

Cutbacks are being interpreted as a direct attack on the accountability of the public sector. In an effort to improve accountability, trimming may be accompanied by attempts to tighten control over the discretion which many public employees exercise in their day-to-day activities. This tightening ignores the level of discretion present in the first place and may impose arbitrary rules or procedures which have little bearing on the actual service delivery—or in fact detract from present service levels or quality.

Lipsky (1980) describes frustration of many of the conditions underlying high productivity and quality of work life in his analysis of the conditions of work in street-level bureaucracies even without the strain of budget cuts. In his view, increased bureaucratization leads to increased worker alienation, which in turn results in a decreased quality of

---

For a discussion of the degree of discretion which many "street-level bureaucrats" exercise see: Michael Lipsky. Street-Level Bureaucracy Dilemmas of the Individual in Public Services. (New York: Russell Sage Foundation, 1980). Lipsky defines street-level bureaucracies as schools, police and welfare departments, lower courts, legal services and other agencies whose workers interact with and have wide discretion over the dispensation of benefits or the allocation of public sanctions.
work life and lowered commitment. Where trimming is accompanied by attempts to tighten control over discretion exercised by employees in their day-to-day activities, the potential result is negative changes in service delivery and frustration of public employees who hold knowledge about how to make effective improvements in the delivery of services.

Under conditions of trimming, it is hard to imagine that public employees are feeling respected given the vehemence with which public officials and citizens are attempting to cut out the 'fat'. On a more global scale, increased job dissatisfaction and demands for more autonomy, democracy and participation at the workplace are fueling the demands for improving the quality of work life within both public and private organizations.\(^5\) The growth of a younger, more educated work force has contributed to widely reported increases in job dissatisfaction.\(^6\) One manifestation of dissatisfaction in the public sector is the increase of strike activity.

---

\(^5\) See Business Week, May 11, 1981. This issue contains a special report entitled, "The New Industrial Relations - Moving away from the old adversarial relationship; more worker involvement in shop-floor decisions; and improved job satisfaction with improved productivity."

\(^6\) A recent article in the Boston Globe (September 28, 1980, p. B12) carried the headline "Job Dissatisfaction: Growing Every Day." It reported the results of a survey by the U.S. Department of Labor which found that 11 percent fewer people found their work interesting in 1977 as compared to 1969. In the same article Jerome Rosow, a productivity expert and also the president of the Work in America Institute, said, "It's not that jobs have gotten worse, but that people have gotten better. The primary reason for dissatisfaction is higher education and rising expectations."
Work stoppages in state and local government increased more than fifteen-fold between 1946 and 1971.\(^7\) Workers are calling for more autonomy and participation and surely will not settle for less.\(^8\)

Why has Proposition 2\(\frac{1}{2}\) touched off a chain reaction of closed-door, top-down decisions to lay off large numbers of public employees? Why are options such as reduction of work weeks, joint-decision making between labor and management or truly trying to define and remove the fat from public organizations receiving so little attention? Why are public organizations responding to budget cuts by trimming when the forces for more participative decision-making appear to be so strong in the private sector? Are private sector projects designed to enhance quality of work life totally inapplicable in the public sector? Why are public officials and managers clinging so strongly to their traditional ways of doing things when conditions have changed so drastically and their actions are likely to create conditions resulting in reduced QWL and productivity?

Coping with budget cuts poses the dilemma of how to restructure public organizations and how to design new relationships between labor and management when that traditionally adversarial relationship is even more strained as a result of reduced resources.


Kanter (1977) and Stein (1980) identify power, opportunity and operating framework as the key elements of organizational structure underlying the conditions of work which determine both quality of work life and productivity. They also argue that the relationship between the two is... "not whether productivity and a high quality of work life go together.... (but) to define the circumstances in which they can be jointly increased." (Stein, 1980).

The purpose of this thesis is to develop an understanding of why trimming is so prevalent, how it affects quality of work life and productivity and how public officials and administrators might change their strategies for coping with cutbacks in ways which will enhance both QWL and productivity. An understanding of the strategies underlying the trimming process is developed through a case study. The case is analyzed in terms of the values and conditions of work which underlie high QWL and productivity. This step in the analysis necessarily involves moving between a theoretical framework of values and outcomes and the events of the case. The inferred connections between conditions of work and the actions of the Board of Selectmen are not directly supported by data evaluating the actual conditions of work in the town or the police department. The connections between QWL, productivity and the case stand as interpretations of the events depicted in terms of a theoretical framework supported by much of the work of proponents of improved QWL. Changing strategies for coping requires, at the minimum, an awareness on the part of those responsible for developing strategies for coping with cutbacks, of the potential
negative consequences of their actions. The two outcomes of trimming which I hold up for examination are high quality of working life and improved productivity. The opportunity to enhance both QWL and productivity through creative responses to cutbacks is lost when trimming occurs and the case describes how this occurs.

Can budget cutting be done in a way which enhances the quality of worklife in the public sector and breaks new ground in improving the delivery of services? I believe that if we continue to trim in the traditional top-down manner which reinforces existing hierarchical relationships and exacerbates existing conflictual employee-management relationships, a worsening of the "productivity crisis" in the public sector will occur. The human costs associated with alienation, boredom, frustration will be large and will trigger productivity losses as well. These costs can be reduced from those associated with present practice if we take the time to diagnose where the real fat is; involve employees in the diagnosis process and manage the changes introduced by cutbacks rather than just doing them. Organizations facing a reduced budget must cope with cutbacks in a manner which meets not only the new fiscal constraints, but the human needs of the employees involved as well.
II. WORK IN THE PUBLIC SECTOR

Existing Conditions of Work

Even without budget cutbacks, the everyday conditions of work in many public agencies are stressful. Lipsky (1980) identifies the high likelihood for street-level bureaucrats to experience substantial job-related stress as a result of inadequate resources, client overloads and role ambiguity resulting from conflicting perceptions of agency goals. Peers, the public, elected officials, managers and policymakers may each hold a distinct view of agency goals.

Severe resource constraints limit capacity to act. Under these constraints, helping becomes a need to control for bureaucratic purposes of mass processing. The processing of people into clients in order to cope with demand which far outstrips supply forces street-level bureaucrats to ignore the variety of people which confront them daily and to develop routines to control their own worklives (Lipsky, 1980). Lipsky says that it is dysfunctional for most street-level bureaucrats to become more responsive because that would increase demand. The tension is between more responsiveness (motivation, recognition, dignity) and the practical consequences of being more responsive (increasing one's own workload, the lack of rewards and incentives to do so, the limited resources to allocate (for example, units of subsidized housing) and the limited capacity to act in a more responsive way given the segmented treatment of client problems by a variety of service providers.
Public employees also exercise considerable discretion in developing their routines and in their own interaction with recipients of services. Discretion derives from the inability of public managers and officials to exercise direct control over the human interactions which are the major activities involved in the delivery of services. Discretion is not a function of increasing rank. In theory, and by law, discretion is limited but it is impossible for managers to enforce every rule. The existence of discretion gives public employees the ability to raise or lower their productivity according to how they feel about their organization (Maccoby, 1980).

QWL in the Public Sector

QWL in the public sector is a set of working conditions which recognizes the individual's needs for autonomy, recognition, belonging, rewards, dignity and respect and decent working conditions including and beyond the traditional job security and health and safety considerations now covered in civil service rules, federal Occupational Safety and Health (OSHA) regulations and collective bargaining agreements. Achievement of these conditions and rights is determined to a large degree by the patterns, procedures, policies, traditions, paths, tendencies and orienting elements which define the organization's structure and functioning. These elements have both formal components (those set out in written operating procedures, policies, rules and regulations) and informal components (unwritten codes of behavior, shared norms, traditions and beliefs). Consistent and coher-
ent connections between power, opportunity and the organization's operating framework (Kanter, 1980) underlie conditions of high quality worklife. Conditions supporting high QWL and productivity derive from the structural elements of power, opportunity and operating framework.

Elements not framed in terms of the entire system of relationships may produce conflicting or ambiguous outcomes. For example, rules, regulations and procedures designed to protect employee rights can also be constraints to the enhancement of QWL. Elements of organization structure which curb the arbitrary exercise of power (example: civil service categories and accompanying salary increases) may at the same time be limiting opportunity. The ability of public managers to reward exceptional performance is often proscribed by a plethora of rules designed to maintain equity, equal access to opportunity and preclude favoritism.

Trimming reduces the size of a public bureaucracy as if size alone was at the roots of the fiscal crisis which precipitates the need for cutbacks in the first place. This focus ignores the broader issues such as accountability, complex goals, changing demands and rising conflict between labor and management which plague bureaucracy. Existing structures and control systems need to be examined in relation to the role they actually play in shaping the delivery of public services. Given the level of discretion which public employees exercise and the importance of commitment to the level and quality of services provided, the efficacy of arbitrarily reducing the size of government to cope with budget cuts must be questioned.

What determines the level of commitment to public service? Why
are public employees leaving some organizations in droves? Kanter (1980) suggests that commitment is fostered by feelings that one is relatively successful, getting somewhere and could not be doing better elsewhere. In her view, commitment is positively related to skill level on the job, job prestige, earnings, and opportunity for promotion.

It is paradoxical that the intent of trimming is to maintain the hierarchical structure which is associated with so many of its ills. The simplistic notion that reducing the size of bureaucracy will solve its problems is unfathomable given the body of knowledge we have about the elements common to so many government bureaucracies. Size alone does not begin to account for the routines that are developed to cope with allocating scarce resources in the face of ever increasing demand, the rules, regulations, laws and guidelines which are implemented to control bureaucratic action and hold public employees accountable to standards for service provision, the conflict between various constituencies bargaining for pieces of the government pie and the tension between discretion and accountability which fuels the conflict-based relationship between public managers and public employees.

9 One example of a public organization that is struggling with employee resignations at the managerial level, is Boston's Massachusetts Bay Transportation Authority which operates the city's subways and busses. An article entitled "Dark Days for T", the Boston Globe, (1-25-81, p. 21) reports that the third major wave of resignations within two years was taking place at the MBTA. Philip Shapiro, Executive Director of the MBTA Advisory Board stated: "There is a tremendous void in management now, and service is beginning to suffer to an unprecedented degree." A former MBTA chairman (Jack Doolittle) commented upon, "the unwillingness to change... (and) the organization lacks the analytical capability, the capacity to even be honest with itself about what is doing."
Trimming is an incremental change, not a comprehensive rethinking of the ways of accomplishing the organization's goals and tasks. The reasoning behind this approach is the assumption that it is most efficient to make small changes to minimize disruption and that by doing so, existing ways of working are best preserved. In minimizing disruption to the organization, the administrator also minimizes his own exposure to scrutiny and potential criticism. The very nature of incremental change also maintains flexibility to implement continual progressive changes in response to the demands of a variety of constituencies but that flexibility is retained within the limits of the existing constraints dictated by the organization's structure. Lindblom (1959) labels the public administrator's tendency toward tinkering with the system and making incremental changes such as trimming as "the science of muddling through." Trimming as an incremental approach is disruptive because it spreads uncertainty throughout the organization, and acknowledges the presence of slack, management imposes measures which are perceived by employees to be arbitrary, controlling, demeaning and done without a real sense of what the real work at hand is.

Trimming QWL and Productivity

Agency coping...the array of decisions regarding staffing, allocation of work, responsibility and discretion can critically influence QWL and productivity in the agency. Kanter and Stein see QWL and productivity as derived from the same elements of organization structure and argue that both can be improved concurrently. Figure 1 depicts the relationship of
conditions of work to an organization's power and opportunity structures and operating framework. QWL in turn affects the staff's motivation, commitment and reaction to the budget cuts. Potential employee actions accompanying reduced commitment include absenteeism, increased turnover and accidents which all have direct cost consequences for the agencies in which they occur. To the extent that commitment is reduced and manifests itself through counter-productive behaviors, overall agency productivity is reduced by the trimming process.
Figure 1. CONDITIONS FOR HIGH QWL AND PRODUCTIVITY (Source: Stein, 1980)

CONDITIONS FOR HIGH QUALITY OF WORKLIFE

AUTONOMY
CONTROL

RECOGNITION
VISIBILITY

BELONGING
SHARED
GOALS

REWARDS

DIGNITY
RESPECT

DECENT
WORKING
CONDITIONS

POWER

OPPORTUNITY

OPERATING
FRAMEWORK

HUMANE
SOCIETY

MOTIVATION:
WANTING TO
ACT

CAPACITY:
BEING ABLE
TO ACT

KNOWLEDGE:
KNOWING HOW
TO ACT

COORDINATION:
ACTING
TOGETHER

CONDITIONS FOR HIGH PRODUCTIVITY
III. CASE STUDY: IMPLEMENTATION OF PROPOSITION 2¾ IN BELMONT, MASSACHUSETTS

The case study which follows describes how the Town of Belmont implemented budget cuts in response to the passage of Proposition 2¾. It is presented to tell the full story of the process of trimming...the constraints which local governments face in cutting their budgets, the traditions which guide the budget process and the strategies which underlie the decision to trim. The "story" of the case is first described in detail and then followed by an analysis of the case. The analysis frames the case in terms of an ongoing struggle for power which was escalated by the need to cut budgets and played out through relationships established in the collective bargaining arena. The purpose of the analysis is to understand the case in terms of why trimming endures, the implications of trimming for quality of worklife and productivity and to suggest some first steps in devising alternative ways of cutting back which avoid the human and organizational costs of trimming.

Introduction to Case

On January 8 the Board of Selectmen of the Town of Belmont announced the layoff of eight policemen and eight firemen to meet new budget constraints imposed upon the town by the passage of Proposition 2¾. The response to the announcement was outrage and disbelief on the part of citizens, policemen, firemen and town employees. Two weeks later the Selectmen reaffirmed this decision—even though in the intervening period two large public meetings had been held to protest the layoffs. The strategy fol-
lowed by the Selectmen both prior to and after the announcement of the layoffs was trimming. The first step in designing a way of coping with the reduced budget for the current year was to impose across the board 4.2 percent budget cuts upon all town departments under the direct authority of the Board. The second step was to trim the staff in several departments --including laying off eight policemen. After extensive negotiations and meetings the policemen have been reinstated--but only after the entire police department agreed to give back 3 percent of recently negotiated salary increases. Across the board trimming of their salaries was the only option which the town and police unions were able to agree upon to avert the reduction in force which would have taken place immediately. In effect, these men are bearing a direct part of the cost of Proposition 2½.

There are other costs as well. The layoffs may have set a precedent for coping with 2½--particularly in the other town departments in Belmont and in other police departments across the state. Trimming is further entrenched as a strategy for cutting back because the Board was able to exercise considerable power in obtaining the agreement from the policemen to accept a pay cut and the real 'fat' may never be uncovered and cut if Belmont and other municipalities continue to follow a similar strategy. As long as elected officials are simply able to rely on hiring and firing rules to meet financial constraints without taking other longer term costs into consideration, they are likely to continue to trim. In Belmont, providers of a public service which relatively few people would dispute the
need for, i.e., public safety, are receiving the message that their services are valued less by the public. The Belmont Selectmen trimmed three times...department budgets, staff and salaries. The outcome of trimming is that part of the burden of 2½ is being borne directly by a small number of public employees.

The case study focuses upon the police department in Belmont, Massachusetts where layoffs were proposed and avoided. The decision to study Belmont and focus upon the town's police department was based upon several considerations. First, Belmont was the first municipality in the state to announce layoffs as a result of Proposition 2½. Given the subject of this thesis it was important to focus upon a municipality where cutback decisions had actually been made—not just proposed. At the time when a site was being selected, Belmont presented an obvious choice. Second, Belmont prides itself on being a well managed city. A central concern of this thesis is to understand why trimming is so strongly entrenched in the theory of practice of public managers and administrators that they are unable to take advantage of the opportunities available to deal creatively with cutbacks in a manner which reflects the changed conditions and needs for new ways of thinking about how to manage the public sector. It made sense to choose a well-managed city in order to be able to discard managerial ineffectiveness per se as the reason underlying trimming as the cutback strat-

10 After the passage of Proposition 13 in California the Legislature mandated to local governments that police and fire services could not be cut. (Goldberg, 1980).

11 The Boston Phoenix (February 17, 1981) p. 2 "Talk of the Towns" Proposition 2½ in Belmont" describes the evolution of Belmont's reputation as a fiscally well-managed town.
egy. Third, this thesis could have focused upon cutbacks of almost any type of public service at any level of government. Trimming of the sort described here is happening everywhere in the public sector. But public safety and here, specifically police services are in the forefront of public concern over how 2½ will be implemented. In addition, after school costs, public safety services often consume a large proportion of municipal budgets and large percentages of the departmental budget for public safety are labor costs. These factors make public safety extremely vulnerable to reductions in force in spite of its high priority on the roster of local services. In many places cutting away at the relatively small budgets of other services will not produce the level of savings which must be achieved to cope with 2½ in the short-run. Fourth, Belmont is not alone in looking to cuts in police services. Many municipalities in the state are proposing similar cuts. Political postering or "saber rattling" may be offered as alternate explanations for why police were cut in Belmont and are proposed to be cut in many places. This explanation may be true to the extent that municipalities are hoping for relief from the state and want to make their needs and concerns clearly visible to state legislators. But, even given this assumption, it makes sense to ask why is the across the board approach of trimming so entrenched? Why were essential services, cut the same degree as less essential services? Why would a Board of Selectmen implement layoffs which were so vociferously protested by local citizens? In Belmont and in other cities and towns across the state, the Board of Selectmen do not directly control the entire municipal budget. Many services are managed by independent elected boards and commissioners. The Board in Belmont
subjected themselves to severe criticism. The description and analysis of the case will also point to the conditions, constraints and strategies which lead to the persistence of trimming. The case is analyzed to lead to a way of understanding how the cutback process can be managed more effectively to reconsider current ways of providing public services, maximize the utilization of scarce public dollars and meet the human needs of the workplace of the people who commit their careers to public service.

Background

Belmont is a residential community located eight miles west of Boston. The average income of the population of 27,700 is 138 percent of the state average. The predominantly "yankee" town is known for its wealth, stability and fiscal conservatism. The tradition of fiscal conservation in Belmont dates back to the days when J. Watson Flett, a member of the Board of Selectmen for 40 years, (between 1924 and 1963) and chairman for many of those years "ruled the Town by himself." Under Flett, many of the Town's capital projects were paid for in cash. He was (unofficially) the Town Manager. Flett would be picked up on Saturday mornings by the Superintendent of Highways and driven around to check potholes and the condition of the Town's roads. During the week, he was often picked up to be taken to work at his law practice by one of the Town Department Heads...to dis-

12 Much of the information in the case story was gathered during interviews which are listed in the References Cited Section.
cuss how things were going.

The traditions established by Flett...both the spartan fiscal policies and the centrality of the Board in governing the Town live on today. Belmont operates under a town meeting form of government in which the Board of Selectmen exert considerable influence over both the development of annual budgets and approval of policies and programs and the day-to-day operations of the Town. Town meeting is the legislative forum for authorizing budgets, policies and amendments to the Town's by-laws, but the Board retains power to amend the budget at the annual town meeting. Citizens may also propose amendments but the three Board members are privy to considerable information about the inner workings of town departments and, "the average voter sees the Board of Selectmen as running the Town." The budget recommendations of the Board carry considerable clout.

**Budget Process**

The annual budget process begins with the issuance of budget guidelines by the Board. Town Department Heads then put together budgets which are reviewed by the Board and the Town's Warrant Committee prior to their presentation at the annual town meeting. The Warrant Committee consists of 15 members and the Chairman of the Board of Selectmen and the Chairman of the School Committee who are ex-officio members. The committee is divided into subcommittees which oversee the budgets of one or more town departments. A review of the most recent Warrant Committee Report (1980) indicates that the budget appropriations generally reflect categories of expenses (i.e., salaries, specific repair and maintenance projects and
other operating activities such as travel, audits, etc.) as opposed to programs. Many committee members are frustrated by the current budget structure and would like to see program budgetting implemented. According to one warrant committee member the committee (and other town officials) find out about changes in programs when changes in budgets occur. Incremental budgeting reflects changes in salaries and costs of inflation...but if the budget levels are approximately the same Department Heads are not asked to give an accounting of program activities. The Board and the Warrant Committee attempt to reconcile any disagreements about the proposed budget prior to their presentation at town meeting and are usually able to do so, but occasionally disagreements are carried to town meeting where they are hashed out publicly on the floor. Increase in the town budget have averaged $1 to $1.5 million per year. Belmont's 1980 full value tax rate of $37.69 is low compared to the average of $40.06 for towns of similar population. Roughly 60 percent of the town's current budget of $22.3 goes to wages.

The size of the police department, which will be the town department studied most closely in the development of this case study has remained fairly constant since 1970 when the town first attempted to control expenditures through a no-hire, no-fire policy. Fifteen percent of the total town budget goes to the police department. Ninety-one percent of the police department budget goes to wages.
The first town workers to be unionized in Belmont were custodians, highway, recreation and cemetary workers who were organized by the American Federation of State, County and Municipal Employees (AFSCME) in the mid-1960's. The remainder of the town's employees organized in the early 1970's. Today, roughly 300 of the town's 312 employees belong to one of the seven unions. Police and fire membership comprise the largest and strongest unions.

Prior to unionization, employee leadership approached the Selectmen directly to ask for wage and benefit increases. The increases which were granted reflected the personal judgment and inclination of the Board.

Unionization transformed the relationship of the Board of Selectmen to town employees from an informal one to a more formal relationship. Contract negotiations remained fairly unstructured until 1974 when most employee unions used professional negotiators and state legislation permitting binding arbitration for police and fire was implemented. The town's employment of a full-time labor consultant in 1974 marked the end of the era of informal negotiations. In 1979, the town hired a new labor counsel who was less familiar with the local union leaders to represent the town's interests more aggressively. Police have generally settled on

---

13 This section on labor relations draws upon information compiled jointly with Rebecca Black in conjunction with her Master's Thesis on collective bargaining under the budget constraints imposed by Proposition 1½ in Massachusetts. (Dept. of Urban Studies & Planning, M.I.T., 1981).

14 Massachusetts General Laws Chapter 150E.
contracts without much struggle. This may be because firefighters bargain first, and most aggressively with the town and their gains are generally passed on to the other unions. 1980 marked the first time that police unions were represented by an attorney in addition to a negotiator during contract negotiations. During the 1980 contract negotiations the patrolmen sought an increase larger than the eight percent increase which had been settled upon by other town employees. Negotiations went on until October when a petition was filed with the Joint Labor Management Committee (JLMC). Police settled on an eight percent and no increase in benefits following the involvement of a negotiator from the JLMC in the contract negotiations.

Collective bargaining between police and the town has focused upon wages. The union has also pushed for and won, clothing allowances, overtime and extra-duty payments, night shift differential payments, vacation time, educational allowances and payment for emergency medical treatment training. Total hours, shift hours and work week schedules are also matters of bargaining. Wages paid to Belmont policemen are comparable (and in some cases slightly higher) to wages paid by surrounding municipalities. Wages have increased roughly 65 percent since 1970 while the consumer price index has increased 134 percent during the same period. Belmont officials view the passage of binding arbitration in 1973 and its renewal in 1977 as causing the town to incur labor expenses in excess of those that would be granted without arbitration. The 1976 annual report states, "the town of Belmont labor costs have increased more than they would have had binding arbitration not existed."
Outside of wage increases the major change in the most recently negotiated police contract was a change in the management rights clause. Town Labor Counsel Crowe takes pride in being a strong proponent of the management rights of local officials and successfully bargained for provisions which granted the Board the express right to..."...direct employees, to hire, promote, transfer, assign and retain employees...to relieve employees from duties because of lack of work or for other legitimate reasons...". The previous management rights clause had granted the Board the right to "...establish policies for the control, direction and management of the police department" and reserved powers not expressly bargained for to the Town. When asked whether or not the Town had Proposition 2½ in mind when it was bargaining for these changes which granted the Town greater power to layoff, Crowe stated that it was stronger management rights per se and not 2½ which motivated the Town's position. According to Dave Downs (a lawyer for the International Brotherhood of Police Officers (IBPO)) who only became involved at the end of the contract negotiations, it was not clear to him that the union had gotten anything in exchange for the greater ease with which management could layoff. Downs said that negotiations appeared to have focused upon dollars and cents and not other clauses of the contract.

Two other aspects of the contract should be pointed out to set the stage for later events. The first is the lack of a minimum manning clause in the police department contract. A precedent case in Danvers15 established...
lished that minimum manning cannot be an issue for resolution through collective bargaining--unless there is mutual agreement that it be an issue. Most towns won't agree to minimum manning clauses in their police contracts and Belmont is no exception.16

The second is the lack of a reduction in force (RIF) clause in the contract. According to Charles Wright, who was president of the patrolmen's local at the time of negotiations, the union did not attempt to obtain a RIF clause because it did not think that the Joint Labor Management Committee (JLMC)17 would have given it to them. Wright recounts that the possibility of layoffs if Proposition 2½ passed was not even discussed because in his view, most public employees did not believe that 2½ would pass. At the interview, Chief Shea and Sargeant Griffin (a member of Belmont's police force) also reiterated that most public employees felt that 2½ would not pass.

A new police chief had been appointed on the first of the year and the participation of the incoming and outgoing chiefs in contract negotiations held important ramifications for the budget cutting process.

16 As a point of comparison, fire department contracts can and do have minimum manning clauses. The layoffs in the fire department in Belmont were protested on the basis that they represented a unilateral change in working conditions, that the Town acted unilaterally without according the fire department all of its bargaining rights; that by leaving out a clause referring to layoffs, the union did not give up the right to bargain over layoffs; and that the table of organization which is prepared by the Chief and approved by the Selectmen must remain as negotiated and is altered by layoffs. (Testimony of John Hiatt, International Association of Firefighters (IAFF) attorney at March 2, 1981 grievance proceeding before the Board of Selectmen).

17 The JLMC had been called in to arbitrate when impasse was reached between the Town and union over wages.
The appointment of Bob Shea as chief of police was announced on January 1, 1981. Chief Jeremiah Kiley was retiring effective March 31, 1981 and Shea was to take his place. Shea's appointment to the position of chief was greeted with considerable enthusiasm. Phil LeBlanc who was vice-president of the patrolmen's unions said, "The men are looking forward to his administration...I believe there will be an improved relationship between officers and management.18 In a March interview Wright reported that morale was up following Shea's appointment (and by this time...the avoidance of layoffs). With the announcement of his appointment, Shea began to play a more active role in leading the police department. Shea was the de facto chief of police before his appointment actually took place and represented the police department in communicating with the Board about possible cuts and layoffs. He had formerly represented the superior officer's union during contract negotiations and was pleased with the new management rights clause which gave him, as chief "the inherent right to move people around. This right to reorganize is significant because of the legal relationship between the Board and Chief of Police in Belmont. Chief Shea is a "Section 97"19 chief ...referred to as a "weak chief." A Section 97 chief has broad administrative authority within the budget constraints imposed by the Board of Selectmen. The Board officially heads the department and appoints the

19Massachusetts General Laws, Chapter 41, Section 97.
chief. The chief's perogative to reorganize the department is limited by the extent to which the reorganization unilaterally affects working conditions. If the reorganization affects unilateral change in working conditions bargaining must commence.\textsuperscript{20}

\textbf{Response to 2½}

The Board of Selectmen actively opposed Proposition 2½ in the months preceding its passage. Over the summer, town department heads had worked to determine how their budgets might be cut if 2½ passed. Town Accountant Ted Sparrow estimated that the reductions of motor vehicle excise taxes would result in an immediate loss of $800,000.00 from the budget for the current fiscal year and an additional $2.5 million loss in property taxes. Department heads were asked to propose budget cuts to meet an estimated 18.5 percent reduction in the town's operating revenues. The Selectmen used these estimates and information put together by the town department heads and Sparrow to prepare a mailer outlining the potential implications of 2½ for the Town of Belmont. In these early reports, the Selectmen were informing voters about the potential effects of 2½ on levels of services and in some cases, indicating the specific areas that would actually be cut. Even these reports indicated that layoffs were likely in

\textsuperscript{20}The Mass. Labor Relations Commission has held that a finding of unilateral change in a condition of employment requires at least three elements: (1) unilateral action, (2) change, and (3) an action that effects wages, hours or any other condition of employment. \textit{New Bedford School Committee} 2 MLC 1180, 1182-83 (1975); \textit{Town of North Andover}, supra, at 1106 cited in \textit{Newton School Custodians Assoc.} and \textit{Newton School Committee} 4 MLC 1334-1346 (1977).
the police department. The *Belmont Citizen*\textsuperscript{21} outlined cuts in each department stating that the "police department recommended the layoff of 10 uniformed officers"...as well as several other measures. Nevertheless, 2½ passed by a substantial majority in Belmont. The vote was 8,710 to 6,346.

The Board's immediate response to the passage of 2½ was to call a Saturday morning meeting of the Board which was also attended by Town Treasurer Paul Hanson and the Town Accountant, Ted Sparrow. The purpose of the meeting to brainstorm and develop a game plan for coping with the new fiscal conditions imposed by the almost immediate loss of $800,000.00 in automobile excise tax revenues. Belmont would incur an immediate loss because it had already set its tax rate for the year. Many other cities and towns in Massachusetts were able to offset the reduction of motor vehicle excise tax revenues by raising their tax rates for the current year to compensate for the loss.

Just six days after the passage of 2½ the Board took their first official action to begin to cut $800,000 from the current year's budget. On November 10, they issued an executive order which prohibited: new hires and changes in classification and overtime and capital expenditures. Organizational charts and fee schedules were also requested from Town Department Heads. Free services such as fuse changes, and fire department assistance with lock outs were immediately suspended and the Selectmen announced their intent to establish fees for services such as rubbish collection and

\textsuperscript{21}Ibid.
ambulance services. Newspaper reports affirmed the Selectmen’s intention to act quickly and decisively. Board Chairman Flewelling said, "We anticipate strong and swift action, we do not intend to sit by. We are not going to waste any time implementing." Selectman Chip O'Hare responded to rumors of pending layoffs, "There are a lot of rumors on the street... we expect to have to layoff...but the numbers will be determined in the future. There are no final figures yet."  

O'Hare stated that the Selectmen rejected the option of covering the $800,000 deficit with reserve funds because they felt that cuts would be needed any way to reflect the continued loss of excise tax revenues. Setting up cuts needed in the short-run to fit longer term budget cuts was an integral part of the Selectmen's strategy for responding to 2½ from the outset. In retrospect, O'Hare offered that the process of coping with 2½ was also seen by the Selectmen as, "an opportunity to make fundamental changes in the management of the Town which had been needed...and were otherwise impossible, and, "a substantial opportunity to regain lost power."

The erosion of the Board’s clout as a decisionmaking body since the days of J. Watson Flett was attributed at least partially to unions, the growth of the school budget and state-imposed programs. A desire to protect the Town's triple A bond-rating coupled with the desire to reaffirm home rule also underlaid the Selectmen's swift action. Sparrow views the strategy to re-establish the preeminence of the Board in Town government as largely

---

successful. He states, "the Board of Selectmen run the town...the average voter sees the Board as running the town."

In late November, O'Hare requested that Town Department heads prepare 5-year histories showing what jobs had been created or dropped from the roster in the last five years. In mid-November after a meeting between the Town Labor Counsel Bob Crowe and the leaders of unions representing town employees. Flewelling announced, "beacuse of Proposition 2½ and the financial restrictions that will be imposed upon this town, we will be forced to reduce the level of services in every department."24 O'Hare describes the strategy as both one of trying to make sense out of a chaotic environment and an opportunity to eliminate programs which had crept into the town budget. O'Hare saw implementing 2½ as an opportunity to eliminate town funded programs which duplicated services available from other agencies or available at state level, curb the slow growth of the town's work force and examine the propriety of town funding of particular services. He describes his strategy as one of seeking to change the philosophy overriding town affairs from management by crisis with an emphasis on day-to-day affairs to longer term planning.

In fact, each department in the town was told that it would have to raise fees and/or implement cuts which would amount to a net savings of 4.2 percent. At the end of November the Board of Selectmen began to conduct Saturday morning budget meetings held in executive session. O'Hare

and others questioned about the reason that the meetings were held behind closed doors cited the potential for discussion of matters involving collective bargaining as meriting executive session as the Selectmen worked out the details of coming up with the 4.2 percent cuts in each department. The Town Treasurer Paul Hanson, and Town Accountant Ted Sparrow met with Town Department heads as a group to announce the level of projected cuts and then with representatives of other elected bodies which controlled other departmental budgets. The Board members felt that across the board cuts were necessary in order to induce town departments over which they did not have direct budgetary control to agree to cuts in their budgets to help meet the current deficit. These departments include library, housing authority, school committee, cemeteries, sewers and water. The departments under direct budgetary and management authority of the Board include police, fire, highways and town offices.

The Selectmen called in the leaders of the seven town unions to a private meeting which was held on December 10, 1980. Town Labor Counsel Crowe had sent letters to each of the bargaining units requesting their attendance at an informational meeting to be held at Town Hall. David Downs, the attorney who was to represent both police unions in the town (Local 449 of the International Brotherhood of Police Officers (IBPO)) which represents junior officers and Local 521 which is the superior officers union and Chief Shea received a letter which contained the following paragraph:

"You have indicated your willingness to discuss the impact of Proposition 2½ upon the Town of Belmont and, more particularly upon your associ-
ation. The Town will be forced to reduce its budget in each department by a considerable amount of money. It has therefore become apparent that a reduction of services is necessary. We will probably be forced to lay off employees in each and every department."\textsuperscript{23}

At the meeting, Town Accountant Ted Sparrow presented projections of proposed cuts and Crowe indicated that the Town would decide about proposed cuts by January 1, 1981.

Downs responded to the meeting with a letter to Crowe which was sent out the day following the meeting.\textsuperscript{26} In the letter Downs requested fiscal information from the Town, indicated that the January 1 date was disturbing to the union because it did not leave time to, "inquire, discuss, analyze, and bargain over the issues the Town has raised" and made a formal demand to commence bargaining. The bargaining issues cited by Downs were the necessity of layoffs and the method to be used reducing the level of law enforcement services.

The December 11 \textit{Belmont Citizen} reported that the spectre of forthcoming layoffs was creating anxiety among town employees. In the same issue, it was reported for the first time that town officials agreed that the brunt of cuts would be felt in larger town departments such as highway, police, fire and the schools. "Trade-offs"...i.e., forgoing all or part of negotiated raises and/or scaling employee benefits were suggested by town officials as cost-cutting measures which might be able to be exchanged

\textsuperscript{25}Letter from Crowe to Shea and Crowe to Downs dated December 2, 1980.
\textsuperscript{26}Letter from Downs to Crowe dated December 12, 1980.
for layoffs. Flewelling expressed the expectation that unions would not agree to tradeoffs but that he wanted to give the unions a chance to respond to the probable impacts of Proposition 2½.27

On January 3 Town Labor Counsel Robert Crowe met with police and fire union officials to announce the layoffs of 16 employees—eight policemen and eight firemen—effective February 1. This was the point at which the possibility of layoffs in the police department was translated into reality. In an interview published in the Belmont Citizen28 Shea expressed the opinion that 2½ would force a change in police department operations but expressed uncertainty as to what those changes would be. He did however, accept the inevitability of layoffs and stated that he thought the layoffs might trigger a reorganization of the department.

Concurrent with the announcement of layoffs, town officials suggested to union officials that they propose financial concessions to avoid the layoffs.

The Town had acknowledged the possibility of layoffs as early as mid-November29 but Downs described his reaction to the letter given to union officials on January 8 to announce layoffs as a shock. The letter briefly described that the Selectmen had met to discuss and react to 2½; that each department was directed to either reduce its budget by 4.2-4.5


29Letter from Crowe to Downs dated November 19, 1980.
percent or to make up that amount by bringing in more revenue and outlined the cuts to be made in each department. In both the police and fire departments the specific individuals to be laid off were named and the effective date of the layoffs was announced to be February 1, 1981. No other layoffs were officially announced.

A review of the correspondence between Crowe and Downs indicates that Downs expressed his desire to bargain after receiving notification of the possibility of layoffs indicating the union's position that the layoffs were a mandatory subject of bargaining and requesting that the Town not take any action without bargaining.

In an earlier letter\(^{30}\) Crowe had cited the management rights clause in the existing contract and a case\(^{31}\) as supporting the Board's right to implement layoffs. In setting up the December 10, 1980 meeting Crowe had invited representatives of the various unions to discuss the "impact"\(^{32}\) of the decision (i.e., probable layoffs) on affected employees or to offer

\(^{30}\) Letter from Crowe to Downs dated November 21, 1980.

\(^{31}\) Newton School Committee 5 MLC 1016 (1978). The opinion in this case holds that a public employer has the right to make a core governmental decision about the level of services that will be provided to the public without submitting the decision to the bargaining process.

\(^{32}\) The above mentioned Newton case sets the precedent for 'impact bargaining' over layoffs. The case states that the question of how to accomplish a reduction in services in terms of how employees are affected constitutes a mandatory subject of bargaining. The case cites attrition, early retirement, part-time schedules and work sharing as potential alternatives to layoffs which might be utilized to achieve the reduced level of services (which are within management's perogative to set).
alternatives to the proposed reduction in services. Crowe felt that the information requested by Downs was not relevant and that the request was made as a stalling strategy. His position is that he responded to Downs' request to bargain by indicating that a meeting would be scheduled and that he did not agree with Downs' position relative to the union's right to bargain.

The action to layoff police and firemen was explained by one town official who said, "Belmont has always been a well run town and we have nothing to gain by dragging our feet and delaying the inevitable." Selectman O'Hare stated that he was hoping that the School Department would "help" in making cuts that would avert police and fire layoffs.

On January 15, the Belmont Herald carried a story about how police and fire layoffs had upset townspeople while the Belmont Citizen carried a series of articles dealing with the response of both the police department and the individual patrolmen who had been laid off. The layoffs occurred nine days before the eight policemen would have gained full civil service status. As probationary policemen none had a right to appeal to the Civil Service Commission. The layoffs were made by Selectmen on the basis of seniority. The story on page one of the January 15, 1981 Belmont Citizen carried photographs of the 16 men under the heading "The Proposition 1½ Hit List." The men were depicted as victims....

---

Downs viewed the strategy as one designed to simplify the layoff procedures for the Town. The Selectmen, however, contended that they had not wanted to send out the layoff notices during the holiday season. The Town eventually offered the policemen all the rights they would have had as civil service employees.

On January 15, Town Labor Counsel Crowe met with police union officials to begin "impact bargaining." The Town's position was that it had the "ultimate pure right to hire and fire" and that it was required to bargain over impacts before formally terminating laid off employees. Although "level of service" was not a central point of contention between the parties, the notions that each held about the effect of layoffs on level of services provides some insight into the views of the police department which were motivating the various actors.

Chief Shea saw the need to maintain the number of uniformed patrolmen. In his view he had to "...keep the street people up to par and keep bodies on the street." He also viewed the relatively younger recruits to be laid off as important to building the department.

Charles Wright also saw the layoffs as loss of young blood. He said that many of those left on the force would fall into the most critical period of 12-15 years on the force when "police stress" is likely to be at its highest levels.

In Crowe's view, the loss of eight men would not effect the level of services delivered to townspeople.
Selectman O'Hare cited problems within the police department and also seemed to feel that the delivery of police services would not be severely impacted by the loss of the eight men.

A Warrant Committee member responsible for reviewing the police department budget indicated that the relationship between layoffs and services was not clear.

Downs presented several alternatives to the layoffs which were rejected by the Town. The first set of proposals presented to the Town at the January 15 meeting were as follows:

- To offset cuts in the police department by using monies available from an insurance premium rebate paid to the Town when a school burned down, or;
- Use some of the money that the Town held in free cash.

These proposals were rejected by the Town. At the same meeting the union presented a second set of proposals:

- Lay off five civilian dispatcher/clerks ($11,132)
- Keep ambulance service in the police department
- Offer an incentive for early retirement
- Combination of
  - Eight officers giving up EMT payments
  - Elimination of summertime employees
  - Eliminate civilian clerks for rest of year
  - One less lieutenant
  - Eliminate sargeant currently on leave of absence
o Eliminate school traffic supervisors

(Total savings $81,462)

Four days after the rejection of these proposals, more than 500 citizens attended the Board's regularly scheduled Monday evening meeting to protest the layoffs. Media coverage (particularly television coverage by WBZ and articles in the Boston Globe) and door-to-door leaflet drops had heightened public awareness of the pending layoffs. Two days later, an emergency meeting was held between the Board, Town Labor Counsel Crowe and union officials. During this meeting Crowe offered an alternative to the layoffs of police and firemen. His counterproposal to the unions proposal which had been rejected, was for all patrolmen to give up half of the recently negotiated eight percent wage increase to avert layoffs.

The eight percent wage increase had been negotiated less than one month prior to the November elections. The patrolmen's union had ratified the new contract after a two month impasse. The new contract granted seven to eight percent wage increase retroactive to July, 1980, a $1/hour increase in detail pay and a clothing allowance increase of $25 per year. The deadlock over wages and benefits had begun during the spring and was ultimately broken with the assistance of a mediator from the Joint Labor Management Committee. Charles Wright, who was then president of the patrolmen's local scheduled a meeting for Sunday, January 25 to consider Crowe's proposal. At that meeting, the patrolmen's union voted 18-12 to table the four percent salary reduction until late February—which was subsequently interpreted by the Board as a no vote. Downs recounts that
the union meetings follow relatively formal procedures and that the motion was to "hold" or "not hold" the proposed wage cuts. There was some discussion about the motion but very little about the issue of wage cuts itself.

Wright said that many of the men thought that the Town was bluffing and that the meeting had a feeling of 'let's call their bluff'. Wright strongly urged that the men accept the proposal rather than incur the layoffs. He felt that the Board had been open and fair in its dealings and that the personal sacrifice to be made by each man for his "brother officers" could be likened (in magnitude) to the expectations that private industries have for contributions to the United Fund.

On Monday, January 26, the Board held its regularly scheduled meeting and more than 350 citizens showed up to protest the layoffs. In spite of the public sentiment that was being expressed, the Board voted unanimously to implement the layoffs. Selectman Chairman Walter Flewelling called the approval of the dismissals "the most difficult decision during his eight years on the Board."\(^3\)\(^4\) Wright felt so strongly that the union ought to have accepted the offer that on Tuesday, January 28, he resigned his position of president of the union in protest the next day.\(^3\)\(^5\) Wright said "that he could not represent men whose attitudes totally differed from his own."


\[^4\] Newspaper accounts also cite "health" reasons as motivating Wright's resignation, but in recounting events surrounding the cutbacks Wright didn't mention health.
By Wednesday the 28th, Downs had obtained a temporary restraining order from Middlesex Superior Count Judge Andrew R. Linscott enjoining the Town from laying off the police officers. Downs had sought the restraining order in the hopes that a compromise could be reached between the Town and the union. Judge Linscott dissolved the order just two days later after Town Labor Counsel Crowe presented arguments in support of the Town's position.

In the meantime, the implications of the layoffs for the entire police department were being made clear by Chief Shea during the week following the rejection of the pay cut proposal. Shea's position was that he had to maintain the number of uniformed patrolmen at the expense of other services provided by the department. As the new chief, he felt that he had to begin building a strong team...even if he were to lose eight men from the force. To accomplish these goals he began to move people around. The shifts in personnel involved 23 members of the department in schedule changes. Policemen who had been working days were put back on nights to fill the vacancies that would be left through the loss of the eight to be laid off. Men with desk jobs in the juvenile and detective units were reassigned to patrol duty. Shea says, "that the realism of what 2½ and the layoffs meant to the department were made clear to the men."

During the same week the superior officers union was approached by the patrolmen's union to determine whether or not the superior officers would agree to share in the pay cuts to save the eight jobs. The superior officers agreed to share in the cuts and Wright was approached by members
of the patrol union and asked how they might reconsider the vote. Wright called an emergency meeting (after being presented with a petition to reconsider the vote). The men voted and unanimously agreed to accept the pay cut (which had been reduced from four percent to three percent by the sharing of the cut with the superior officers.)
IV ANALYSIS OF CASE

Introduction

An ongoing power struggle set the stage for the implementation of Proposition 2½ in Belmont. The interest groups with a stake in the outcome of the struggle over layoffs in the police department included the Board which wanted to gain greater control over expenditures and the services provided by town departments; the town employees who valued their job security, the predictability of their positions and their salary increases; citizens who wanted to see their tax burdens reduced and the level of services maintained and the recently appointed police chief who would benefit from gaining control over the running of the police department. The implementation of 2½ took place in the context of relationships established to a great extent, through the collective bargaining process. In fact, much of the interaction between various parties to the conflict took place through formal collective bargaining mechanisms with David Downs (IBPO counsel) and Bob Crowe (Town Labor Counsel) playing the lead roles. The power games took place at two levels. First, there was the obvious struggle between management (the Board) and labor (the unions). Within that conflict (which focused primarily upon wage rates and management rights to layoff) there is also the consideration of the role that the new chief would play in running the department. Coping with 2½ through the trimming process exacerbated the conflictual relationships already in
The elevation of conflict levels as a result of the trimming process will make introducing "fundamental changes in the structure of the town's operations to cope with longer term budget constraints more difficult. In addition, the continued reliance on a conflict mode of interaction seems particularly inappropriate given the potential to improve both productivity and the quality of work life of town employees. The values held by the interests involved in coping with 2½ and budget cuts in general are not necessarily in conflict with one another. But the games of power which often dominate the coping process insure that the common ground is not discovered and that the sharing of knowledge, responsibility and power which could lead to improved delivery of public services will not occur.

Belmont As An Example of Trimming

Belmont typifies the present practice of trimming outlined in earlier section of this thesis. Trimming was top down, controlled by management and the actual decision-making was carried out in closed meetings with little participation of those affected. The Board of Selectmen perceived a need to plan their strategy for coping with the cuts in closed meetings

36 Lewin (1951) (and many others writing about organizational change after Lewin) point out the need to reduce tension prior to implementing social changes. Lewin's field theory holds that it is easier to reduce "restraining forces" to achieve change than to implement change by introducing additional pressures. Restraining forces are the opposing positions held by parties which interact to determine the level of a particular activity (for example, salary levels).
and to act decisively and quickly in order to maintain and enhance their control over the governance of the Town. The Board translated the need to react to the loss of revenues into an immediate crisis situation...even though the Town held funds which could have been used to ease the budget crunch if the Board had wanted to take more time to develop a strategy for responding to Proposition 2½. The problem of implementing budget cuts which the Board had publicly protested prior to the November elections was parlayed into an opportunity to elevate the Board's power in its collective bargaining relationships with Town employees. This stance may have been not so much a necessary reaction to the immediate loss of revenues but an effort to set the stage for dealing with the longer term problem of managing the Town under relatively fixed budget constraints. The Board's recent (April, 1981) efforts to abolish the civil service in the town and O'Hare's acknowledgement of the cutback strategy as one designed to "button down procedures" for dealing with cuts in the long-term support this interpretation of the Board's action. Belmont, and other towns throughout the state, have lost the ability to raise taxes to match the increased costs of running local government and providing local services. In addition to the immediate budget crisis faced by local government, Proposition 2½ spells the beginning of a new era in local government decision-making.

37 The Town held $1+ million in certified free cash, $500,000 cash reserves $225,000 insurance payment for a school which had burned down.
The Board's Position

The Board's publicly stated position relative to 2½ changed before and after the election. If viewed as attempts to maximize control and minimize disruption, these changes can be viewed as backed by a consistent strategy rather than as unrelated attempts to deal with chaotic, externally-imposed conditions. Prior to passage of 2½, the Board involved Town Department Heads in the development of a "worst case" analysis of how budget cuts would affect town services. The Board opposed 2½ and even went to the trouble of having a mailer outlining the potential consequences of 2½ prepared and distributed.

Clearly, at this point in time, it was in the best interest of the Board to protest 2½—in the hopes of minimizing disruption to both the management and delivery of town services avoiding cutbacks and to set its public posture in the event that 2½ were to pass. Being opposed to 2½ affirmed that the present town government was efficient and that the Board was doing its job. In retrospect, opposing 2½ and then having to implement it provided the Board with the rationale for invoking a crisis mode of reaction. Not expecting 2½ to pass allowed the Board to be surprised and deal with 2½ as an unexpected crisis when it did pass. Taking control in a crisis was what was expected of the Board. Crisis provided the rationale for assuming power over the budgetary process which had traditionally been shared to some extent with the Warrant Committee and the town meeting members.

Once 2½ had passed, the Board was in the position of having to defend the current structure of and budgets for town operations and also
implement cuts. Although at least one board member saw 2½ as "an opportunity to make fundamental changes in the running of the Town which had been needed for 30 years" the actions taken by the Board to implement 2½ do not reflect an overt strategy to make fundamental changes. Reductions in force (RIF) through attrition and the salary cuts taken by the police force represent rather passive strategies incurring minimal disruption and actions designed to enhance Board control. RIF through attrition allows cost savings without making decisions to take away resources explicit. Confrontation with constituencies and day-to-day stress are thus minimized. But, in retaining the right to approve new hires, the Board is effectively able to make decisions about the priority of various public services without incurring the considerable public resistance likely to be associated with layoffs. Trimming through leaving vacancies unfilled is a politically palatable course of action because it does not get into the details of reducing services. The details are left to department heads and employees to work out.

Control and Power

Salary cuts in the police department represent a change in the power relationship between the Board and the union membership. The police department "had its bluff called" and lost. The Board avoided changes in the level of police services which it could be held directly accountable for. Instead, Police Chief Shea will implement his reorganization plan and will be responsible for any changes in the delivery of police services.
which ensue. The Board can exercise its influence over the reorganization if it chooses to do so because of the power it holds as official head of the department although publicly, the chief runs the department. If changes in police services invoke public criticism the Board can act as intervenor and exert its power to rectify problems created by the reorganization. In the police department, it is Shea's recent appointment and his perogative as new chief to reorganize which will produce "fundamental changes" in department operations...not the passage of Proposition 2½. There is an implicit alliance between Shea and the Board. Shea retains considerable autonomy to run the department with the expectation that he will do so in a way which both minimizes disruption to the delivery of services and improves the efficiency of the department to the extent that he is able to do so.

Shea had designed his reorganization around the layoffs but decided to implement it anyway "to provide better services levels." According to Shea, "It was designed to make people more accountable for their jobs." Shea promised to evaluate the layoffs—which affected either the work schedules or assignments of 23 officers—within six months. Shea created two new positions and assigned six inspectors to patrol duties. The reassignment of the inspectors bumped other patrolmen into night shifts. The two new positions were administrative aid to the chief and head of pa-


39 Ibid.
control division. The *Belmont Citizen* reported that the members of the department viewed the changes as temporary, and Shea acknowledged that he would be reviewing the organization of the department on an ongoing basis.

Within two weeks, Shea had made further changes within the department. Five of the six inspectors who had been shifted to patrol duty resumed their former positions and the Town's juvenile officers were placed on evening shifts to deal with juvenile problems as they arose. Shea had clearly exercised his perogative to run the department and, had apparently received considerable support from both the men in the department and the Board in doing so. Proposition 2½ represented an opportunity for him to test his control.

**Secrecy**

The Board held their Saturday morning meetings to develop a strategy for coping with 2½ in Executive Session. The reason given for holding the meetings in Executive Session was that they involved matters of collective bargaining. There are several reasons for questioning the validity of holding these meetings in private. The first is that the usual way for the Board to conduct meetings is in public session. When personnel matters or matters of collective bargaining come up, the Board asks attendees to step out in the hall while these matters are discussed. It is unlikely that the entire budget meetings warranted Executive Session. Civil Service rules dictate who would be laid off once the decision to achieve budget reductions by layoffs had been made. The major areas of latitude regarding layoffs which the Board held were whether or not to lay off and when to
lay off. The Board contradicted its position re: the relevance of collective bargaining issues to the cutbacks and layoffs and need for closed meetings by holding the position that the decision to layoff was a management right and not an issue of bargaining. In addition, the "impact bargaining" which occurred took place in public.

More plausible reasons for the secret meetings can be hypothesized. It is likely that the Board approached the cutbacks with some degree of uncertainty. A local newspaperwoman who regularly attends the Board's meetings observed that the Board appears to try to present a unified front and that the Board members rarely argue in public. Given the desire of the Board to regain control, act decisively and quickly it was in their best interests to air their differences privately and present a solid position backed by the approval of all three Board members. Both Flewelling and O'Hare have also made statements which indicated their desire to act autonomously.

Formal and Informal Processes

Both rigid formal and less formal policies and procedures were critical to the process leading to the acceptance of pay cuts as an alternative to layoffs in the police department. The conflict over the layoffs was played out publicly through the formal collective bargaining relationship with Downs and Crowe as the major actors. But the actual decision-making, conducted by the Board in Executive Session relied upon a strategy which was not prescribed in formal procedures. The closed-door meetings prevented the participation of actors other than those specifically invited
to attend by the Board.

The chief's shifting of work routines and the superior officers' decision to also accept cuts appear to be the critical factors which contributed to the acceptance of pay cuts by the entire police department. This is a second example of the importance of informal processes in determining the outcome in Belmont. The chief had the formal right to reorganize but that right entailed extensive authority to alter 'informal' rules, norms and routines within the department. The response of the men to the proposed layoffs indicates that changes in lifestyles and positions were valued more by the department members than salary increases. Lipsky's perception of the importance of routines to street-level bureaucrats (1980) is supported by this response to the reorganization of the department. Trimming excluded participation rather than fostering cooperative examination of where and how to make cuts.

Outcomes

The immediate outcome is that the Board won a rollback of salary increases in the police department and elevated its power in its collective bargaining relationship with the police department. The police department recognized the Board's right to layoff and chose to accept salary reductions in order to avoid layoffs.40 The longer term outcomes are less clear.

40 The situation in the fire department is very different. The fire department won (April, 1981) the reinstatement of laid off firefighters who had civil service status. This decision is currently being appealed by the Town.
Resolution of the layoffs in the fire department will determine the strength of the Town's management rights to layoff. Several other outcomes of the trimming process bear directly on level of services in the Town, labor-management relations and the quality of worklife for Town employees.

**Equity**

The contradictions surrounding the notion of "equity" in relation to trimming is illustrated by the Belmont case. Across the board cuts were imposed by the Board as a strategy for getting all of the town departments to go along with cutting their budgets. The Board felt that departments not directly under its control could be convinced to implement cuts if all departments were experiencing similar cuts. Equal cuts on a percentage basis were seen to represent equity and fairness in distributing the cuts to town departments. While imposing equal cuts appears defensible on practical grounds, the logic of equity when taken to the next step in implementing the cuts does not hold up. Across the board cuts translated into proposed layoffs of individuals and the eventual acceptance of salary cuts by an entire department. Is it equitable for limited numbers of town employees to be bearing individual costs so that taxpayers can enjoy reduced taxes? Does it make a difference whether or not these individuals are more or less essential than other town employees or more or less committed, productive or needing of a job? Civil Service seniority hiring and firing rules dictate who will be laid off. So the decision to lay off can be seen as an almost decision to lay off certain individuals.
Trimming, Productivity and Levels of Services

The Belmont case demonstrates the difficulty of translating budget cuts into changes in levels of services. In fact, motivations for maintaining existing levels of services appeared to outweigh those in support of reducing the services provided as a way of coping with budget cuts. The message implicit in trimming is that public employees must be more productive in order to maintain service levels and quality even though staffing or other resources may be reduced. The notions that fat can be trimmed from government and that trimming will not alter the level of services provided go hand-in-hand. Several actors in the Belmont case stated that they expected the level of services provided by police to remain the same even if eight men were laid off. Board members did not expect services to change, Crowe stated during an interview that he did not expect reduced service levels with layoffs and the thrust of Shea's reorganization plan was to keep the major area of services provided by the department—namely police "on the street" up to current levels. The public protested service cuts by protesting en masse at two Board meetings. It is also in the interest of the patrolmen to continue to provide the same level of services to avoid criticism. Eddy (1980) notes that many public services receive few thanks but that failure to deliver those same services leads to lots of negative feedback.

Trimming skirts the issue of level of services and also fails to identify and remove the 'fat'. The metaphor of fat has often been woven into the rationale of trimming with the notion that government can somehow be leaner and healthier. In Belmont, the proposed layoffs would have re-
moved the younger men from the police force who Shea described as the "backbone of the department."

Legal precedents\(^41\) give management the right to determine the level of services provided, but the ability of the Board to do so in a way which relates directly to budget is constrained by the lack of direct control over level of services. The Board is involved to some degree in the operations of almost all Town Departments, and therefore, must delegate considerable authority to town department heads to actually manage the services provided by their respective departments. In the final analysis it is the patrolmen who actually interact with the public who determine to a great extent, the amount and type of services provided.\(^42\) An additional point to be made is that levels of services (except as represented by numbers of people on the force) do not play a major role in the collective bargaining process between the Town and the union.

The broader issue of goals and measuring what public organizations do in exchange for the public support is another part of the level of service dilemma. If we are going to impose budget cuts how are we going to affect service delivery? Can we impose cuts in a manner which takes into consideration the interests of all of the constituents with a stake in the delivery of public services? Lipsky's (1980) view is that multiple constituencies hold varying perspectives of organizational goals. Organiza-


\(^42\)This discretion over service provision is discussed to some length by Lipsky (1980), Van Maanen (no date given).
tional goals, in the world of street-level bureaucracies are ambiguous, at best. Idealized public service goals, uncertainty over what will or will not work, and the passing of intractable legislative conflicts to the administrative level lead to confusion in defining the public organization's primary goals. This goal ambiguity clearly clouds any clear-cut definitions of organizational effectiveness and attempts to define and measure levels of services.

Cutbacks and the prospect of having to cutback over the next several years place public organizations under attack by all constituencies. More efficient provision of public services is the number one challenge faced by public administrators, agency heads and local officials. Public managers and administrators are caught in the crunch between a public demanding more for less and a work force that is demanding more autonomy and participation in their work and surely will not settle for less (Zwerdling, 1978). The morass of political, institutional and economic variables beyond the control of public managers makes the task of managing the changes introduced by cutbacks a seemingly impossible one. Social scientists do not agree on appropriate measures of productivity, there are no standard methods for assessing the organizational effectiveness (Burkhead, et al) of public organizations and "...no tested useful models of how to manage toward shrinkage (of municipal budgets) and quality of life are available" (Eddy in Hanten, 1980). The ability to accurately perceive external demands, adapt to changing conditions of operating, merge the expectations of the various constituencies and integrate individual and organizational
needs will determine the effectiveness and viability of public organizations competing with one another for increasingly strained resources. There are probably several reasons why trimming is unable to excise the fat from government. One possibility is that management knows where the fat is but can't get at it. Tradition, legal constraints and/or political and personal reasons may place barriers to the removal of particular individuals or services. 'Taking away' is likely to provoke considerably more resistance and criticism than just letting a less than optimal situation remain as is. A related possibility is the desire of the Board to uphold its reputation for spartan fiscal management. In order to cut out fat, the Board would have to admit that fat existed. It seems obvious that the Board would want to avoid admitting that there was fat in its management of the town. A third possibility is that management does not know where the fat is and employees are not willing to reveal where the fat is in the context of the conflict based relationship between labor and management. Trimming exacerbates this conflict and in doing so does not improve the capacity of management to identify and implement cuts which will improve the overall effectiveness of the agency.

Conditions for Quality of Working Life

The decision to cut the budget of the Belmont Police Department carried with it the message that the work of the police department was valued less. Taxpayers across the state and in Belmont had voted for reducing their support of public services and this reduction of support was
carried to the police department. It is unlikely that the knowledge that all departments were faced with cuts of similar magnitude did much to counter this message that the public was simply less willing to pay for police services.

The inference that service levels could be maintained even if eight men were laid off implied that there was inefficiency in the department. To tell the policemen that their services are valued less and that they are inefficient are hardly messages which bolster a sense of dignity and respect, carry rewards or recognition, or foster a sense of belonging.

The result of the process which led to the layoffs is that there continues to be uncertainty about the question of layoffs. While the agreement between the town and the police unions contains provisions for reinstating the salary increase if layoffs become necessary, the successful alteration of the collective bargaining agreement and the loss of binding arbitration introduce new elements of uncertainty into the collective bargaining relationship. This uncertainty threatens job security, opportunity and a sense of control over the ability of policemen to hold onto job schedules and positions in the face of budget cuts.

Opportunity in the form of rewards for training has been reduced by the removal of funding for emergency medical training. The implementation of Shea's reorganization of the department will be critical to the quality of the working environment. While the externally generated messages appear to be counter to the conditions for a high quality of work life, internally generated norms may hold the key to the conditions of
work within the department. The fact that a new chief is running the department and making changes hold the potential to contribute to enhancing both the quality of the working environment and the productivity of the department.
V. COPING WITH CUTBACKS

A condition of change is introduced by cutbacks. In the final analysis Proposition 2½ and similar mandates will have at least brought into full view the awareness of a need for change in local government operations. In Belmont and in other municipalities across the state, the era of running local government with the power to constantly increase revenues is over. New taxes, funding or revenue sharing mechanisms may provide some additional revenues over those now provided by the property tax, but increased funding for all services will receive closer scrutiny because a major source of funding (i.e., property tax) which was not tied directly to the delivery of services has been severely curtailed. Incremental growth of local budgets in Massachusetts is now being followed by shrinkage of those same budgets. Because Proposition 2½ simply cut property taxes without mandating how local budgets would absorb the loss in revenues, local governments are stuck with deciding which departments and services can or should bear these cuts. Taking away a little bit of money is much more difficult and much less popular than giving out just a little bit more money each year. It is the change in conditions and type of decision making which local governments...and Boards of Selectmen must cope with.

The process of implementing that change is every bit as important as the immediate need to cut costs because the cutback decisions will, in the aggregate, have major implications for the structure, functioning and effectiveness of local government. To avoid the negative outcomes of trimming a new way to implement cutbacks must be developed. This process
must reflect both the new external demands being placed upon public organizations and more attention to the internal relationships, structures and processes which determine the functioning of public organizations. The external and more general forces which are acting on public organizations include changes in economic climate and changes in labor force characteristics and expectations. Changes in economic climate are fueling demands for cuts in government spending. Strategies for coping with cutbacks which are based upon the expectation of more rapid economic growth in the short-run are likely to fail. Similarly, the emerging changes in labor force expectations point to the direction that new ways of coping with cutbacks must follow.

In Belmont, the trimming process was implemented through a conflict mode of interaction. Lipsky (1980) points out that conflict is often a barrier to achievement of long term goals because when groups perceive themselves to be in conflict with others, they choose among narrower objectives and are less able to devote themselves to long-run goals. To deal with the long-run changes dictated by changing economic conditions and changing labor force expectations, the decision-making process must move away from a conflict based process to more cooperative decision-making.

Trimming is not the only option for coping with budget cutbacks. But it is particularly well-suited to the political arena where it is played.

---

43 See Appendix A for a graph which shows how preferences for money, salary increases, job security, opportunity, important work and hours have changed since the late 1950's.
out because it produces immediate solutions, is done in the name of "equity" and "fairness" and enables public officials and administrators to exert a great deal of power over those people who are directly and indirectly affected by layoffs, reductions in departmental revenues or reduced wages. Upon closer examination, equity at the level of institutions (for example, across the board budget cuts to all town departments such as those implemented in Belmont) does not translate into outcomes which are equitable in terms of individuals. Trimming manipulates the discretion which public employees have (for example to decide to accept wage cuts) in the name of equity in a way which undermines the power of both groups and individuals. A cutback process which is more open, equitable and efficient is needed if the productivity and quality of the working environment in the public sector are to be improved. Trimming is not getting at the fat, not engendering commitment and motivation to public service nor creating conditions for improving productivity. The process of cutting back must be restructured to achieve equity, participation and improved quality of working conditions. Without a restructuring, public officials will find themselves being held accountable for public employees whose commitment is being chipped away by trimming.

The entire system of interests including the quality of worklife of public sector employees must be taken into consideration in the design of a new strategy. The fiscal crisis of government will have a direct bearing upon the experience of work for public employees. The quality of their working environment is under attack. The standard techniques of
hierarchical management are being called upon to implement financial solutions to solve problems beyond the control of public organizations. Attempting to cope with the fiscal crises by internalizing the conflict within public organizations and then, ignoring the ramifications of that conflict upon the functioning of the organization will both reduce the quality of the working environment and will not, in the long-run, solve the fiscal crises of government.

**Changing the Coping Process**

**Longterm Change**

The condition of shrinking revenues must be viewed as medium to long term change rather than as an isolated crisis requiring a one-time solution. The conditions of operating for public organizations have changed and will continue to change. These changes in the external environment are also being felt in the internal conditions of work. The Belmont Board was aware of the need to develop a long-term strategy to cope with cutbacks with an eye to town-wide, long-term effects. However, the Board thought of its actions in terms of "buttoning down procedures to deal with budget cuts in the long-run" rather than as part of a continual coping process. In focusing on the objective of buttoning down, the longer-term implications for public employees and the relationship of conditions of work to delivery of services have not been dealt with adequately.

**Diagnosing Change Needs**

Coping with budget cuts presents an opportunity for local govern-
ments to diagnose change needs rather than just doing the changes in a re-
active crisis mode. Cutting budgets, salary and staff will by trimming
produce changes in the structure and functioning of local government.
These changes should be matters of deliberate decision-making rather than
incremental decisions made without consideration of their cumulative im-
pacts. The diagnosis process should involve both public managers and em-
ployees for two reasons. The first is that none of these people has com-
plete knowledge of where costs can be cut and efficiency improved. Their
perceptions of possible cuts are constrained by their access to only
limited knowledge about the agency's functioning and the values which they
hold about the need for particular services or their efficiency. The sec-
ond reason is that even if individuals knew where to cut the rewards for
revealing this knowledge do not exist in the present conflict based rela-
tionship. The cooperative diagnostic exercise is necessary to avoid what
Chris Argyris (1970) labels "Type III Error"--the possibility of solving
the wrong problems with the right methods. For example, reorganizations
of local government agencies which change the mix of services provided
without some diagnosis of the demand for and utilization of existing ser-
vices may provoke citizen protests and heighten conflict between managers
and employees unnecessarily. Although almost any decision to cut services
is likely to generate some degree of resistance, additional emphasis upon
unmanaged conflict as the mode for decision-making will leave little oppor-
tunity for longer range planning. A more proactive stance...the ability
to anticipate changing demands and change the structure and function of
government to meet these changed demands is what is needed. Belmont's Board has recently initiated the formation of a long range planning group to provide the Board with longer range fiscal information to use in its decision-making. The broadening of this effort to involve the unions and their membership would be an important step in the development of a more cooperative labor management effort to provide public services under resource constraints.

**Human Consequences of Cutbacks**

The human consequences of cutbacks must be dealt with. The major costs of public services are labor costs. Lawler et al (1980) points out that organizations are created to serve the needs of society. They do not have inherent individual rights. Sacrificing the needs of individuals in the name of "the organization"...i.e., the efficiency of government is without legal or moral sanction. Effective employment of labor resources holds the key to the future quality and quantity of public services which can be delivered under resource constraints. Individual needs for control over one's working environment, routines, recognition, rewards, decent working conditions, dignity, respect and a sense of belonging must be met through a more cooperative process. The importance of commitment must not be undervalued and undermined by decisions which treat individuals as expendable parts of a machinelike bureaucracy. Motivation, capacity to act, knowledge and coordination will be enhanced and lead to improved productivity only if power to make decisions is shared to a greater degree and all interests with a stake in the delivery of public services are given
opportunities to use and share the information that they hold.

**Shifting to A More Cooperative Process**

The Belmont case illustrates that a strong history of tradition, top-down management and conflict based labor-management relations underly the strategy of trimming. Given these conditions, how can labor-management relations in the public sector move to a more cooperative mode? Union involvement appears to be the critical factor which will determine both the balance of power and future conditions of work in the public sector. Public officials who have enhanced their control over employees through application of the trimming process are not likely to be swayed to participative decision-making by promises for improved productivity and pleas for improved working conditions.

The present adversarial relationships dictate that the first steps take place within the constraints of that relationship. Unions are the only organized force with the power to counter the power held by management under conditions of cutbacks. They derive considerable power as proponents of group welfare. Unions, as the existing representatives of both individuals and groups must become more aggressively involved in decisions to take away hard won salary increases and benefits. Cutbacks have reduced their ability to bargain for the salary increases that they have traditionally bargained for. Conditions of work enhancing both productivity and the quality of the working environment are issues that unions can effectively bargain for.
Unions hold the power to bargain for something in exchange for the costs its membership is being asked to bear. The first step is for unions to aggressively pursue their rights to impact bargaining. Insisting upon impact bargaining is critical to reestablishing the balance of power to labor-management relations at the local level. Instead of observing the repackaging of people, unions should become actively involved in the repackaging of work and changing working conditions in the public sector. In Massachusetts the Newton case\textsuperscript{46} sets a precedent requiring management to bargain over the impact of layoffs upon employees. Insistence upon impact bargaining and the pursuit of alternatives to layoffs in conjunction with clarification of the relationships between level of services and layoffs are the central issues for unions to deal with.

The second step is for unions to become proponents of a more participative process for coping with cutbacks. This process could be initiated in the context of impact bargaining. Involvement of the public and specific interest groups in the process (in addition to employees, management and union representatives) will improve the likelihood that the participative process will survive in the political environment. New coalitions are needed to deal with the touch issue of shrinking resources. There are no tested models for effective strategies for dealing with shrinking revenues (Hanten, 1980) so the process must develop new models of interaction between management, unions, employees, clients and the public. Maccoby\textsuperscript{45}

\textsuperscript{44}Newton School Committee 5 MLC 1016 (1978). (Described in note 25).

\textsuperscript{45}Statement of Michael Maccoby made at Sidney Harmon Lecture Series "New Initiatives in the Quality of Work Life" Harvard University, Cambridge, Massachusetts, February 20, 1981.
proposes the development of a social contract between union and management
to deal with upturns and downturns in the context of the quality of work
life movement. Maccoby's work with various private and public sector or-
ganizations has shown that in some cases, management needs a push from
unions to have the justification to introduce changes.

Cooperative labor-management relationships are already a reality
in other states. The Governor's office of the State of New York supports
a Committee on Work Environment and Productivity which is funding the dev-
lopment of joint labor-management committees in the public sector.

The importance of these committees, similar committees in other
states and QWL projects in the private sector is that they point to the
growing recognition that labor and management may be able to cooperatively
solve problems rather than relying upon the adversarial labor-management
relations which ruled both the private and the public sectors. They point
to ways that both management and labor can win.

No prescriptions are offered because the need is for public organ-
izations to learn to look within, to develop flexibility and to take a
longer-term view of their actions. Imposing models and methods from the
outside would impose yet another obstacle in the path of what should be a
concerted effort for management, elected officials, the public, clients
and workers to understand the common ground in their needs and expectations
and to cooperatively restructure the delivery of public services.
REFERENCES CITED


Warrant Committee of the Town of Belmont. 1980 Warrant Committee Report.

**Interviews**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position or Role</th>
<th>Interview Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chip O'Hare</td>
<td>Selectman, Town of Belmont</td>
<td>March 12, 1981</td>
</tr>
<tr>
<td>Lori Wray</td>
<td>Citizen Desk Reporter, <em>Belmont Citizen</em></td>
<td>Feb. 27, 1981</td>
</tr>
<tr>
<td>Ted Sparrow</td>
<td>Town Accountant, Belmont</td>
<td>March 12, 1981</td>
</tr>
<tr>
<td>Julie Perkins</td>
<td>League of Women Voters</td>
<td>March 12, 1981</td>
</tr>
<tr>
<td>David Downs</td>
<td>IBPO Attorney</td>
<td>March 16, 1981</td>
</tr>
<tr>
<td>Robert Crowe</td>
<td>Town Labor Counsel, Belmont</td>
<td>March 16, 1981</td>
</tr>
<tr>
<td>Charles Wright</td>
<td>former President of Belmont Patrolmen's Local</td>
<td>March 18, 1981</td>
</tr>
<tr>
<td>Robert Shea</td>
<td>Chief of Police, Belmont</td>
<td>March 18, 1981</td>
</tr>
</tbody>
</table>
Appendix A  Changes in Labor Force Expectations

Preference in a Job All Responses
Employed Respondents

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>4.0</td>
<td>3.6</td>
<td>3.4</td>
<td>3.2</td>
<td>3.0</td>
<td>2.8</td>
<td>2.6</td>
<td>2.4</td>
<td>2.2</td>
<td>2.0</td>
<td>1.8</td>
</tr>
</tbody>
</table>