

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

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## **EXECUTIVE SUMMARY**

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

### BACKGROUND

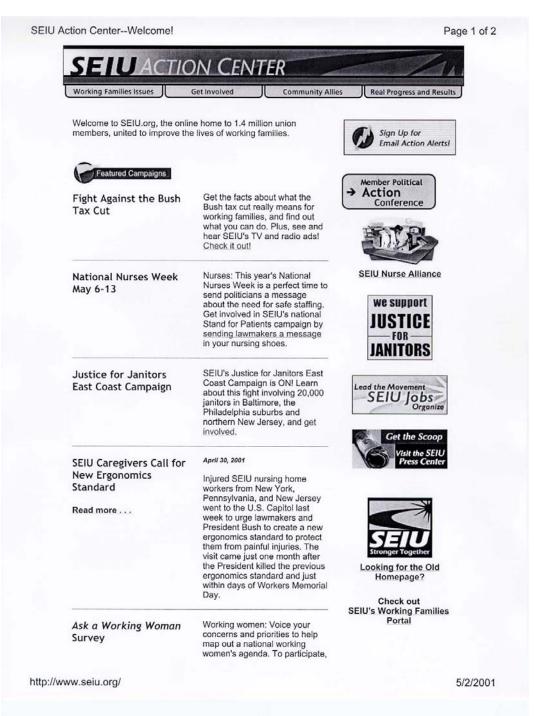
The Service Employees International Union (SEIU) represents workers in the janitorial and service fields. The union is active politically on a national level as can be seen on the homepage of their Web site (see Figure 1, www.seiu.org). Despite a general downward trend in union membership, SEIU continues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

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

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Figure 1: SEIU International Homepage



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