Evolving Organizational Growth Through Information Technology

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Executive Summary

The Service Employees International Union, Local 36 Benefits Office, provides service to over 3,500 union members in the Delaware Valley area. In addition to managing the collection of dues and other funds through employers, the Benefits Office administers several insurance programs and funds. From 1979 until 1996, this office has grown in sophistication and service efficiency primarily through the leadership efforts of Joseph M. Courtney, its only Administrator during this period. Starting with an organization with no technical sophistication, Courtney identified critical areas where technology could make a difference in service levels to the Local membership.

This case study describes the gradual evolution of the use of information technology, first to support basic transaction processing, and ultimately to support the strategic issues that such an operation faces. Through the careful use of a number of outside vendors and consultants, and through the slow growth of internal talent, Courtney was able to shepherd the operation from a purely manual system to one where every employee has a PC workstation connected to a network of internal servers and external services.

Issues that will be raised in this case include questions of internal versus external development of applications, the relationships among various vendors and consultants, and the growth of internal expertise without significant information technology staff. As the case closes, a new Administrator, Michael Ragan, looks at the operation and considers alternatives. He is very much concerned that their primary vendor, Benefit Systems, is no longer responsive to Local 36’s needs.

Background

As March 1996 comes to a close, Joseph M. Courtney looks back on his twenty years as the Administrator of the Benefits Office of the Service Employees International Union (SEIU) Local 36.
Retirement approaches and this former steam–fitter can look back with pride on his accomplishments and the services that been extended to the members of the Union. From a completely manual operation, the Benefit Funds office has been transformed into an efficient operation using multiple computer systems to perform the various operations on behalf of the membership.

The Local

The Local 36 Benefits Office provides a number of services to over 3,500 active union members and 2,000 pensioners in the Delaware Valley area. Of primary importance is the collection of dues through the member’s employers. What makes this so much of a challenge is the nature of this union. The Union represents janitorial, window cleaning and maintenance workers, many of whom are on the bottom of the economic ladder and who frequently do not speak English. Exhibit 1 shows the relationship of the Benefit Office to the Local. In addition to being responsible to the Union, which is part of the International Union, two boards of trustees are responsible for oversight of the two major Funds managed by the Benefits Office: Building Operators Labor Relations, Inc. (BOLR) and the Building Maintenance Contractors Association (BMCA). These two funds represent different contracts and groups of employers. The two contracts have different characteristics and benefits, the results of separate collective bargaining agreements. Exhibit 2 shows the organization structure of the Union and the Benefits Office. Exhibit 3 contains an excerpt and the contents of the BOLR collective bargaining agreement.

The Benefits Office must provide services to the members that have been negotiated for in the agreements. In addition, the Trustees of the Funds must be convinced of the fiscal soundness of the operations and their ability to supply the services to the members. Clearly, there are a number of