

## **Who's Gonna Bell the Cat? The Tyranny of the Majority: Ethics and Values in SEIU**

### **Overview and Context**

Fifteen years ago, at the District 1199WOK Leadership Assembly in Fort Mitchell, Kentucky, I had the privilege of listening to the great Joseph Lowery address the crowd of union delegates as only someone of his stature, experience, wisdom and bottomless charisma could do. His message, delivered in a manner that was at once “down home” and “of the people,” was even more sophisticated, profound, nuanced and subversive than anything I had ever heard before. The fact it was conveyed by an utterly charming and funny man who clearly had seen and done it all in his incredible life, including helping to found the Southern Christian Leadership Conference and remaining, for decades, a towering, world-renowned leader in the struggle for racial, social and economic justice, made it all the more compelling.

Reverend Lowery used an analogy that was instantly understood and appreciated by every member of the audience. He described a world populated by mice going about their daily business. These mice understood at an intellectual level that there were threats lurking – in the form of cats – and that these threats were insidious, powerful, silent and stealthy. Most importantly, in order to combat the threats, the mice had to go beyond the conceptual and decisively act to make each other aware of the threat. A mouse, or some number of mice, needed to “bell the cat” so the group could be alerted to the threat of a cat on the move. “Belling the cat” is risky. “Belling the cat” can put an individual, or some number of individuals, in harms way. But the greatest threat to the group, or community, is to fail to take action to announce the presence of a threat. In other words, to do nothing.

There are many lessons in this story. Unfortunately, I believe the lessons of this story are applicable to the situation today within SEIU. As you know, on May 21, Mary Kay Henry announced her intention to begin the process of dividing UHW's 70,000 long-term care members from our 80,000 fellow healthcare workers employed by the hospital industry in California. It is undeniably true this decision is devastating to the members of UHW, particularly the thousands of rank-and-file leaders, who have given their all to rebuild and reclaim their union and believed in a vision of interdependence and connectedness, across the spectrum of caregivers, to achieve optimal results. But it is also true that the effect of this decision on UHW, tragic and ill-advised as it may be, is only part of a larger and arguably more profound leadership failure. Specifically, this decision marks the first time in my 25 years in SEIU the union has knowingly, intentionally and willfully taken a major action that is contrary to the basic interests of the membership. To put it bluntly, this decision is a massive betrayal of our stated principles and values.

Much effort has been extended in recent days by SEIU leadership, and their supporters, to justify this decision on procedural grounds. Descriptions of hearing officer reports, resolutions from the SEIU Executive Board, SEIU Convention resolutions, accounts of discussion and

debate at the Executive Board level and more has been cited as evidence of the thoughtfulness, richness, fairness and decency of the path to the decision. What is truly amazing is that most participants in the “process” of the last seven years acknowledge privately that the official account and justification is, in fact, wrong and dishonest. They further acknowledge that not only is the rationale a lie, but the decision itself is an affront to numerous organizational imperatives regarding how to construct the strongest and most effective union, which have guided our work across SEIU for the last 15 years.

### **Three Facts**

For the moment I want to offer three simple facts that put the lie to the official justification that dividing UHW in half is the “right” thing to do for SEIU members and the future of the Union:

1. The decision to split UHW was only communicated to us nine days in advance of the January, 2015 Executive Board meeting. Private, secret communications – all held without the knowledge or input of UHW – between national officers and many local union presidents had taken place as far back as October 2014. The purpose of these discussions was to organize political support for a decision that was a foregone conclusion. It goes without saying that if a decision was, in fact, legitimate it would not be necessary to spend three months developing underground political support. And if the decision was legitimate and truly in the best interests of the affected workers, those affected individuals would not be the last ones, literally, to hear about the leadership’s intentions.

2. Within the healthcare division, SEIU members are organized across the care spectrum into unified, industry-wide locals in every state but two: California and Washington, both of which are explained by political, not organizational reasons for the lack of unity. This fact represents the best learning and experience, developed since 2000, that has guided our work across the entirety of SEIU. It has been a truism within SEIU that in order to be most effective we need to combine our strength within industries into the largest possible local unions that operate on the largest possible level, ideally a statewide level. The current decision marks the first time we have violated this fundamental principle since 2000. Not only are we now violating this principle, but we are doing so for a group of 70,000 UHW members who, on their own, would comprise the eighth largest local in all of SEIU. It is simply not credible to assert that a fundamental organizational principle employed across the union for 15 years works everywhere but California unless the truth is something different than what is being offered.

3. I have attached a memo written by Kirk Adams, Executive Vice President and the leader of the SEIU Healthcare Division. This memo, shared with the national officers and several local union leaders, articulates in concrete terms why the division of UHW makes no sense. The fact that this document was never part of the “official process,” and SEIU intentionally chose not to discuss or consider our best thinking on the subject at hand, is

troubling in the extreme. The Kirk Adams memo clearly lays out the flaws and problems with both the process itself and what are likely to be the enormous negative consequences of the decision to divide healthcare workers in California. Why is it that SEIU now functions in such a way that the best advice of the leader of the Healthcare Division is not only ignored, but excluded from the “official process?” Why is it that honest, open discussion on something as significant as reassigning 70,000 human beings, without talking to a single one of them, is now so frightening that we need to adopt and enforce gag orders barring even internal union communications among affected members? Once an organization loses the ability to tell the truth internally, let alone with the public, the culture of such an organization has become so degraded that its ability to be effective and successful must be questioned. The top leadership of SEIU has now created such an organization.

### **Values Not Process**

My intention is to focus on what the current decision to divide UHW in half, and thereby weaken all healthcare workers in California, means at the level of our organizational soul. I will leave, until a later time, the process that led to the decision, which has been the focus of most recent attention and frankly obscures the more important fundamental points concerning the effectiveness and integrity of SEIU. In my view, this event is a watershed moment in the organizational life of SEIU. The fact it is happening – and the national leadership knows it is wrong, yet continues forward – is the far more important issue. This unprecedented reality marks a sad new chapter at SEIU that speaks volumes about our leadership culture, our identity, our values and the integrity of our mission going forward.

### **The Betrayal**

On January 24, 2014, at the conclusion of the SEIU Executive Board meeting in Las Vegas, I was asked, by Kirk Adams to attend a meeting with him, myself and Mary Kay Henry. The purpose of the meeting was to attempt to alleviate the growing tension between UHW and the International Union. The source of the tension was the unresolved work of unifying California healthcare members into a single, powerful organization capable of acting on scale in much the same way that UHE and 32BJ do on the east coast and within their industries.

The core of the conversation went as follows: After Mary Kay Henry again stated her intention to take no action to unify healthcare workers in California, I asked a simple question: “Would the union be stronger or weaker, more effective or less effective, if we unified healthcare workers in California?” Henry answered that the union would be stronger and more effective. I then asked a second question, “If the union would be stronger and more effective can’t we figure out a way to have this conversation and engage members and leaders in California?” Her answer was an emphatic “No.”

Despite elaborate efforts to obscure this basic truth, the concept of unifying healthcare workers in California was actually a point of agreement. What was controversial, and what was contributing to the growing tension, was the realization that Henry’s personal, internal

political calculations and needs were becoming more important to her than doing what was best for union members.

Exactly one year later, Henry is not only failing to take action to do what she herself believed and knew was right and best for the Union, she is affirmatively taking an unprecedented step to do the opposite – to make the union weaker and less effective in order to serve her personal interests as opposed to the common good. In fact, it is the first time in my 25 years in the union that the SEIU president refused to do what he or she thought was right and would result in the best outcomes for members. And given the sheer magnitude of the numbers of members who are affected by the current decision – 350,000 healthcare workers, or more than 20% of the entire SEIU membership – this decision is not only unprecedented it is unprecedentedly large and impactful.

### **The Implications**

There are at least four significant implications of the California decision.

First, we are now an organization that does not put the interests and well-being of the members above other considerations. Taking actions that are knowingly not in the best interest of members would be bad enough under ordinary circumstances. To do so in the case of something that literally affects one out of every five members of SEIU is a shocking failure of leadership.

Second, the California decision makes clear that under Henry and her top leadership team, SEIU's leadership culture has become deeply dysfunctional. Again, the California jurisdictional decision was made against the advice and recommendation of the elected, national Executive Vice President, Kirk Adams, who is charged with leading the Healthcare Division. Officially Adams is responsible for developing and executing a comprehensive strategy to organize and represent SEIU's million plus healthcare members. Nonetheless, he was never permitted to participate in the "official process." He was never allowed to convene a conversation inside of the Healthcare Division. And it was made clear to him that his experience, advice and counsel were a non-factor in the calculations of the president. Deep and broad leadership matters. SEIU is too large an organization to effectively operate if national officers, responsible for huge pieces of the union program, are treated as figureheads.

Third, the California decision makes clear that performance and results produced by local unions matter little. It is simply a fact that UHW outperforms ULTCW and Local 521 on organizing, politics, member leadership development and membership levels within the home care sector. This decision will not have the effect of raising standards of performance in the union. Instead, as the Adams memo makes clear, this decision will likely result in lower membership levels, reduced resources and lesser performance on key organizing and political campaigns because of this self-inflicted wound.

Fourth, the California decision indicates that SEIU is not serious about having an optimal healthcare strategy, despite more than half of SEIU's members being healthcare workers. Even though the Affordable Care Act is now driving historic change through the American healthcare system – a system that accounts for \$3 trillion per year of revenue and growing – SEIU has largely been absent from the national healthcare scene. The forces now changing the system are moving it toward more integration, more consolidation and more coordination. The California decision moves the union in the opposite direction and will make it more difficult for us to succeed in our most populous state.

There are surely other implications, but these four are perhaps the most significant and do not bode well for the future of SEIU as a genuine worker's organization.

### **The Tactics**

Thus far I have attempted to make the case that the California decision 1) is bad for members for reasons that are known and accepted by the national leadership; 2) represents a significant departure from how SEIU has operated in the past; 3) has been dishonestly presented and described within the union, including at the International Executive Board. To complete this picture, it is also true that SEIU's national leadership has entered a new stage in which it is not just willing to take significant actions known to be wrong but is also willing to employ the most crass and unethical of tactics, inside and outside the union, to accomplish its ends.

Since January of this year, it has been common for Mary Kay Henry to engage local union presidents directly in order to secure their support for "her" and "her decision." In multiple instances she has been explicit with people that she expects their support and is willing to go to great lengths to reward people to secure it; or, in the alternative, to great lengths to punish people for failing to support her. Individual local union presidents have been asked directly how much financial assistance will be required to secure their support. Others have been told that existing financial support may not continue if they fail to stand with her. In both scenarios the sums are typically millions of dollars per year. In short, everything is for sale and everything has a price. Perhaps some would excuse this as necessary "hardball politics," if it were in the service of something legitimate. Yet, as we have seen, the objective – and Henry is explicit about this – is to take an action that she believes will make the union weaker and less effective in California.

These strong-arm tactics have not been confined to the internal world of SEIU. As many of you are aware, we in UHW are vocal advocates of employing ballot initiative strategies as an important way to act on scale. One effort UHW has been involved with is something called The Fairness Project. Simply put, we are seeking to join with others to place the largest, winnable increase to state minimum wage laws on the ballot in November 2016. Our hope is to do this in a set of states that have a combined population of 100 million people. In recent weeks, we have had numerous interactions with allies, in multiple places, who have heard either from their own organizations, or directly from SEIU that they should not, under any

circumstances, work with UHW or The Fairness Project to seek an increase to their state's minimum wage. It is important to note that in the places where people and groups have been told this, there is not a competing alternative to address the issue of low pay and wage inequality. At this moment it is The Fairness Project or it is nothing.

It is also important to note that UHW first brought this idea to the SEIU officers. It was our hope to work with our national union to create a plan that, from our perspective, was completely aligned with the Fight for 15 campaign. Our request for a meeting and dialogue went unanswered.

What does it say about our organization that we are now willing to use our power and influence to prevent millions of people from having an opportunity to vote themselves a raise? How is it that we can celebrate success in Seattle, Oakland, San Francisco and New York, but interfere with similar efforts in Nevada, Colorado and other places? Are we genuinely committed to reducing income inequality? Or, as we witnessed in Los Angeles last week, are we pursuing some other institutional agenda?

### **Our Organizational Culture**

There is a saying that “culture eats strategy”. It is generally taken to mean that even good strategies are likely to fail if the organization pursuing them has a dysfunctional or fundamentally flawed culture. In particular, an organizational culture in which fear of retribution is pervasive, compliance is valued more than performance, debate and honest disagreements are threatening to the leadership, and transparency is disappearing, will almost universally result in a failure of the organization to achieve its stated goals. Unfortunately, I believe the top leadership of SEIU now has created such a culture and is spreading it through the union. The fact I have devoted 25 years of my adult life to working in SEIU makes this realization all the more painful.

In actuality, the California decision was about political power within the union and everybody knows it. In private conversations, dozens of people, from SEIU national officers, to members of the SEIU Executive Board, to senior staff at both the national and local level, will acknowledge this obvious reality. However, in public there are only a few people who will say what they truly believe for fear of retaliation, punishment or loss of favor with the current administration. In other words, we now have a culture where telling the truth is dangerous.

Organized labor in America is on the verge of complete irrelevance. Whatever chance we have to reverse our very marginal position can only be achieved with organizations that have very different cultures from what now exists in SEIU. If SEIU is to succeed, first and foremost we need to find a way to restore our lost commitments to the interests of members; to valuing results and performance over compliance; to welcoming disagreement, debate and discussion; to telling the truth and acting with integrity; to transparency and accountability around information and plans; and perhaps most importantly, to creating a leadership culture in which

as many people, at all levels of the organization, are given a genuine opportunity to lead, and that leadership is valued – from Executive Vice Presidents to rank-and-file home care and nursing home members in California, all of whom were ignored by this process and decision.

## **In Conclusion**

This decision is an enormous setback for the work we are doing in UHW, and a crushing emotional blow to all the people who have invested their all in rebuilding UHW. We have earned the right to be treated better by our own national organization.

We are absolutely clear this decision is malicious and undertaken with the full knowledge that the interests of California healthcare workers are being sacrificed to the political needs of Mary Kay Henry. We are ashamed and embarrassed for our Union. Thousands of UHW members and staff will forever feel cynical about the leadership of their organization. As one member of the UHW Executive Board said to me the other day, “Mary Kay says she cares about the members, but the truth is she don’t give a shit about the members. If she did she wouldn’t put us through this again after everything we’ve been through and now accomplished.” I agree.

Nonetheless, we in UHW are determined not to be victims. We are going to continue our efforts to build an unparalleled partnership with the California Hospital Association, which results in a new relationship with the industry and tens of thousands of hospital workers joining UHW. We are going to continue to fight to reform and improve Medi-Cal in California, so 12 million beneficiaries, a large majority of whom are children and moms, do not continue to be treated as second-class citizens in what is functionally a two-tiered system. We are going to raise California’s minimum wage to \$15 per hour by winning our ballot initiative in November 2016, and we will reject any effort by any part of organized labor to exempt union members from its terms, as happened last week in Los Angeles. We are going to continue to rely on thousands of rank-and-file member leaders who understand that the biggest threat to their standard of living and economic security does not come from our unionized employers, but from the world around them and us. We expect that caregivers across the state will want to join us in organizing workers, improving Medi-Cal and raising the minimum wage. We will work with them all because our problems are too big to solve any other way.

And we will not compromise our values, our integrity or the soul of UHW while we pursue our goals. Several members of the SEIU International Executive Board are aware that Mary Kay Henry and Mike Fishman were offering financial assistance and the possibility of hospital jurisdiction in Arizona, Nevada and Colorado if UHW would go along with their wishes. Most of these Executive Board members advised me to “make the best deal I could,” since the decision to divide UHW was inevitable. I understand the reasoning of these individuals. There is a clear logic to it. But I could not escape the odor of hush money, which would require silence and acquiescence to something that is an enormous wrong. UHW is not and will not be for sale. We expect more from ourselves.

Additionally, we will not employ the tactics of the previous leadership team at UHW, who encouraged members to withdraw membership, withdraw political contributions and engage in attempts to decertify UHW bargaining units on a massive scale. We are better than them. We beat them and we have no desire to be like them.

As bad as this decision is for UHW, it is potentially worse for SEIU as a whole. Values and integrity are supposed to be non-negotiable. Once they are given away they cannot be recalled when convenient. The trust of union members is a precious thing; once trust is broken the breach is never forgotten. Again, the California decision was a massive betrayal of people, values and principles done in the service of something small, ultimately inconsequential and tawdry. The consequences of decisions like this last a long time.

Because the powers that be in SEIU have essentially instituted a gag order regarding the ability of officers and staff of UHW to speak candidly and completely about the decision, I want to make it clear that I have offered my thoughts not in my capacity as the President of UHW, but rather in my capacity as an individual member of SEIU who is protected by the SEIU Constitution. Furthermore, I want to be clear that no union resources are being used in the development or dissemination of my thoughts.

Finally, we in UHW made an important commitment to one another. We committed that no matter what we would tell the truth about how and why this decision was made. We made this decision because we care deeply about the future of both UHW and SEIU, and we feel we simply cannot be silent about what this decision means in terms of the soul of our organization. We will continue to tell the truth.

The first step is to admit you have a problem. The second step is to “bell the cat”.

More to come.

Regretfully, Dave Regan