INTEGRATING LABOR INTO OPERATIONS MANAGEMENT: THE LMP AT KP FRESNO

I W E R

Institute for Work & Employment Research

THE STATE UNIVERSITY OF NEW JERSEY

RUTGERS

School of Management and Labor Relations

Adrienne Eaton, Professor
Rutgers University

July, 2005

This report is part of a larger on-going study of the evolution of the Labor Management Partnership between Kaiser Permanente and the Coalition of Kaiser Permanente Unions. All reports on this work are available on this website. Support for this work is provided by the Labor Management Trust Fund. All views expressed here are solely those of the author.

Interviews for this case study were conducted in February 2004. Additional data were collected either at the same time or shortly thereafter. Unless specifically noted, the case study describes the state of Labor-Management Partnership in Fresno at that point.

Background on Facility.

KP Fresno includes a 145-bed medical center plus 4 associated medical office buildings. Corwin Harper, Medical Group Administrator and Director of Hospital of Operations in 2004, led both the Medical Center and the associated clinics, an unusual arrangement within KP.[1] Corwin's union partner was Rachel Rodriquez, the Assistant Director for KP for SEIU Local 250. In that role, Rachel had region-wide responsibilities. However, she "grew up" in Fresno and worked at the Medical Center and so knows it well. There are four local unions representing workers at Fresno, with Local 250 the largest. The other two participating in the partnership are SEIU Local 535, representing Social Workers in the mental health unit and IFPTE Local 20 representing optometrists. The California Nurses Association (CNA) represents RNs and does not participate, institutionally, in the LMP. Similarly, Operating Engineers Local 29 and the Pharmacy Guild represent hospital employees but does not participate in the LMP.

In early 2004 and before, Fresno had been confronting several business challenges. As with other KP operations in the region and elsewhere, Fresno was losing members and confronting a poor financial condition. At the same time, it was opening two new Medical Office Buildings. Further, it was a low-performer within the region in terms of patient service.

History of the relationship – According to the union and management leadership, labor and management had had a good working relationship prior to Harper's arrival in 1996. Harper "was hired by KP to run the business efficiently and to change the culture". He had a different style and approach then his predecessors and which generated, at first, a "war" with labor. "I'm very protective of the facility and I didn't trust Corwin." (Rodriquez).

This lack of trust at the top seems to have permeated many, though not all, of the relationships between union stewards and lower level managers in the facility. As one steward put it, "I've had managers, like[manager's name]. She's probably my closest partner that I work with most within my department on this specific departmental role. And, we basically hated each other in the beginning. . . [She] and I would go to Shirley complaining about one another all the time, like, 'I can't work with her' or 'Why did you hire her as a manager? She doesn't know what she's doing.' . . . And other managers I've had the same issue with. "

[1] By spring 2005 Harper's title had changed to Senior Vice President/Area Manager and in summer 2005 he left the Fresno facility for another position in KP.

The manager referred to above, who was relatively new to KP reported that she came into Kaiser at the "right time": "I didn't have all the past background, all the hatred, animosity, anything like that."

In this context, it is not surprising that much of the work of LMP has been on repairing and building relationships. The relationship problems made the early efforts at joint work very difficult. As one manager put it, "It was very ugly, very, very, ugly. . . . I could come up with a suggestion. And because I came up with the suggestion it was immediately attacked [by the workers in the meeting] and it felt like personal attacks. But someone else at the table could say the same thing and it was, "Oh, that's a great idea." And that's just the kind of relationship we had."

Philosophy/Model of LMP.

By mutual agreement, labor and management in Fresno have pursued what they believe is an atypical or even unique approach to partnership. They tried to do partnership with an LMP committee and using LMP rules, but both Harper and Rodriquez found that a confining framework. As Rodriquez put it: "They would say 'This meeting or conversation is a partnership meeting or conversation.' Then the same players would change seats and say 'This is not a partnership conversation.' I found that very confusing. It didn't make sense. I couldn't function that way.'

And so they moved toward a model of integration of union leaders into the managerial structure and function. And while integration of this type has been widely discussed in the last year or so of the KP LMP, Fresno began the process of partnering managers with specific stewards much earlier, in 1998.

> "We want labor integrated into management, into the everyday management of the business. . . We preferred to say, 'Here's the work, let's do it." (Harper)
>
> "The first thing we decided is that every manager needed a trained, functioning steward as a partner. . . We got a list of all managers and paired them with a [local 250] steward. We found lots of holes and filled those. Then, we did steward training for the people on management-paid time. And then did joint training, put managers through steward training. . . We focus on the operational things, the day to day, getting the work done." (Rodriquez)

This integrative approach is based on building relationships of mutual respect and understanding of roles. The relationships are the foundation on which partnering can happen more efficiently than is typical.

> "There is an underlying value placed on stewards, on the relationship. . . . If the relationships are solid, than labor involvement is the quickest way to get things done. The workers will look to the stewards and things will happen quick." (Rodriquez)

A steward speaks to the value of this approach:

> "I went through the Partnership orientation and the training, and the Road Maps and all that stuff. I probably would have been at the same spot I am now without [the experience of working with managers on specific operational problems]. That's what's different about Fresno. We just do the work. . . . We approach it differently. . . Following that same lead down at the department levels with the managers and the stewards working together. Doing the actual work is what has – having hard conversations and agreeing to disagree and finding our common interest and our common goal and then figuring out how to work towards it."

The most important LMP processes that support this approach are the monthly meetings. These meetings were begun about two years ago. There are two days of meetings, one with approximately 75 SEIU Local 250 stewards and a second with stewards from all the partnering unions and managers. The leadership developed this meeting structure because they found that without a regularly scheduled meeting with all the parties, meetings were difficult to schedule. In particular, meetings would get scheduled and labor representative would miss them and "bad feelings" would result.

The meetings begin with Harper and Rodriquez providing updates on union and management issues. This is followed by sub-group meetings around particular projects, including national LMP projects like Workplace Safety and locally-driven projects. Two of these on-going local projects, Service Enhancement, Revenue Capturing are discussed in more detail below. All stewards and managers serve on at least one of these groups. The rest of the day is spent in "geographic" (departmental) meetings.

These meetings serve as a place both to get work done and to build relationships and trust. One steward described it this way: "What it has done, I think, is it has given the managers and the shop stewards time away from the facility to start building communication skills, to start building a bond and a trust with each other. So now, because this has been going on for so long, that we're coming back to the facility, there's a comfortable level now. They don't feel like they have to wait . . . 4 weeks to meet with the managers. They feel comfortable, there's that bond now, that mutual respect, and everyone's trying to reach the same goals and everybody's on the same page. There's just a lot more casual conversation going on across the facility. It's not them and us so much anymore."

An important element of this alternative approach to partnership is the training that underpins it. Fresno has done less traditional LMP training than

the average for the Northern California region. For instance, only about half of employees have gone through LMP orientation as compared to a 79% for the region.[2] On the other hand, higher levels of employees have reportedly been through LMP "tools" training (Interest Based Problem Solving and Consensus Decision Making). Most importantly, especially from the point of view of managers, is the high level of "business education" that precedes union and member involvement in specific projects. As one manager put it, "Corwin does a very good job in explaining the business to Local 250 and also to management staff. He does a very good job in involving everybody in the business. It's kind of hard to see [Revenue Capture] without that."

Finally, it should be noted that Fresno does not use Restructuring Associates for facilitation as many other KP facilities do. Although they have occasionally used a consultant used elsewhere in Kaiser, Jamie Showkeir for facilitation or trainings, for the most part they do not have the help of professional facilitation.

Harper and Rodriquez chose three LMP efforts to showcase: the opening of two new medical office buildings and the ongoing Revenue Capture and Service Enhancement committees. The information presented below is based on interviews conducted over the course of three days in February 2004, observation of a monthly LMP meeting and review of various documents including some performance data.

Opening of new office buildings in Selma and Clovis

Catalyst for Effort. Kaiser planned to construct two buildings at new sites; when the buildings opened, they were to be staffed with existing resources. The buildings were designed using a KP template but teams were set up to work on other aspects of the opening including furniture, the opening event, marketing and operations. Although there was labor involvement in all of the teams working on the opening of the new buildings, only two of these committees are discussed further below: the operations committee which included chief physicians and managers from all effected departments and had broad responsibilities and the staffing committee which organized the rebid process. The staffing committee was important because of the potential for disruption likely to be caused through the staffing of new buildings out of existing Medical Center staff: According to the lead manager, "We did not budget for additional positions, so we had to rebid all of the jobs. We had to include the unions in that process because this was a decompression of the Medical Center." Over 400 jobs were involved.[3]

---

[2] These numbers reflect in part the fact that mass orientation was done at one point early on but has not been kept up, a conscious decision on the part of leadership. With turnover, many new employees have not been officially oriented to the LMP.

[3] Nurses their own, different and separate rebid processes. Physicians had an informal process to decide who would go and who would stay..

The overall goal for the building opening project was, according to the manager in charge, "we would be successful in opening up a beautiful site for our members, that they would appreciate the convenience we are going to provide for them as well as the service and access. And that we would do this, complete this project on-time."

Description of Process.

The *overall* project was led by a manager and a physician. There was a kickoff meeting for the whole project where timelines, resources, expectation for attendance and participation, and processes for decision-making were presented, but no training per se and no LMP training. "Partnership training had already occurred." At the same time, the project leads were clear that the project would be done in Partnership.

The overall group had periodic meetings as did the individual teams. Rodriquez chose the union representatives on the teams. Many of the teams included physicians. They were very much involved. There were changes in the union representatives over the course of the project. As a manager put it, "I have to say, with Local 250, they're going to be changes. You just have to expect that. . . So we're like, ok, come on in. This is the meeting time, this is what we've done before and we just move forward." There was a communication plan that distributed responsibility to everyone involved: project leads communicated to leadership, managers communicated back to departments, and union representatives to their peers. They created a newsletter that went out to all. If a particular team was struggling, the Project Leads would intervene, see what was wrong and would make the decision if it wasn't moving.

The Rebid Process. The team that designed and carried out the rebid process had about 8 members including 3-4 management representatives and 4-5 chief stewards. The managers who stuck with the team throughout the project were from HR. The team was co-led by a manager and a local 250 steward. The chief parameter in which they worked was that there would be no additional staff. There was no budget for more staff and in fact, they needed to move staff out of the Medical Center to make room for physicians who were doubled up in offices. The team had many and frequent meetings beginning in October 2002 to plan for the summer/fall 2003 openings. Shirley Steinback, the Assistant Medical Group Administrator, reported: "The union staff took the lead on it. I told them, 'This is your baby. You know the rules. HR is here with you. You guys move forward."

The team decided it would be a rebid process. They listed all the jobs on a huge bulletin board. The Stewards met with all of the staff to describe the process. The approach used, consistent with the collective bargaining agreement, was to create silos in which workers could bid for jobs, based on seniority, within groups with the same hours (full-time, etc.) and the same shift. The process itself involved workers coming in and filling out forms saying which job they

wanted. Manager: "I think they spent 2 or 3 weeks in this rebid process. No one could change their mind. The individual would come in, look at the jobs, find what they want, put it down. Then they had to pick an alternate. I mean it was just crazy. To me, it could have been more simple. . . People gave the number to be called. . .If they couldn't find the person, the process just stopped. I just said, you-all figure that out.. . They finally finished it and hopefully we will never, ever have to do that again." (This sentiment is shared by the union reps.) More stewards became involved as the process went on to the consternation of some managers: "I didn't think it was necessary but it appeared to be near and dear to them all." Throughout the process, issues would come up for which the committee had not developed any rules. Steward: "There were times when we had to take a time out . . and we [the committee] fought. I mean there were times we just went and battled. Sometimes HR would say something to us and we'd say,'no', this is a union stand. This is how it works. There were heated discussions in there. But overall we came out the best of friends. We really did."

Steward: "We stayed exactly how the contract stated it, so we didn't have to violated anybody's seniority. In fact, we even took out wording from the contract and photocopied it so we could hand it to people if they had concerns. . . Like leads, we made sure they were only in the pool with leads. . . There were issues that came up that we should have talked about before, so that's why sometimes the heated conversations happened. Because you're not going to – all situations aren't going to come up [beforehand]. . . [Sometimes] HR thought it should be this way, union thought it should be this way, but after talking and deciding, we both came up with what was best for the company." IBPS training helped enormously and was used, explicitly, often: "We'd go, let's figure out what the issue is right now. So we'd put it up. Sometimes people would blurt out what they want to see as the outcome is. 'Wait, wait, we're not there yet." The committee members had received IBPS training as part of earlier LMP training.

The union representatives made special efforts to communicate with their constituents. They conducted numerous informational meetings. Steward: "I'm telling you, management really worked with us on this [providing time for this]. We tried to do it more at the end of the day so it didn't have to effect patient care." The team would call and remind members to attend a meeting. Chief stewards "would walk on the floors so we'd be really visible for them." As a result: "Yeah, you have people that complain, but the majority we are all on board. . . . There were no surprises, no shocks."

<u>The Operations/Operational Planning Committee</u> . This committee had broad responsibility for planning the move itself and the operations of the new facilities including identifying the supplies and equipment that would be needed, policies (including emergency policies and procedures, the number of exam rooms needed, the location of exam tables within rooms, booking guidelines, and the hours of operation. The committee consisted of the chief physicians and managers for all departments involved and two labor representatives. It met from September 2002 until the openings.

The labor members of the committee made special efforts to communicate back to their constituents, the workers in the effected departments. They reported out during monthly staff meetings, and any time they were on the floors.

This committee brought the labor representatives in greater contact with doctors than is typical at Fresno or most other facilities: "That was probably the biggest challenge as far as dealing with the partnership, which is still a challenge we have in most facilities, because the managers and the frontline staff are used to the Partnership, the relationship, and how it works." This steward goes on to explain that physicians (for reasons discussed further below) were not generally engaged in the Partnership and had to be learn, just as others had, to work with others: "Then you bring the doctors in, and they want it their way anyway, . . . [but] they quickly became aware of how things were going to go."

The union stayed involved in the new facilities even immediately after the opening. The Chief Steward spent time at the new Selma facility helping get things organized.

<u>Description of Outcomes</u> – The facilities were staffed for on-time (or even early) openings and without a single grievance and with few complaints. Members of the rebid committee became, according to one of the union leaders involved, the "best of friends": "It was an eye-opener. What I really got out of it is that management and union can be friends. It doesn't have to be just a work environment, it can be much, much more than that.. . We even got to know how many kids they had. We fought, I'm not saying we didn't, but it was more than that. It was a family to the face now. . . We're all human. We make mistakes. And it's ok that we make mistakes, as long as we are able talk to each other and don't take anything personally. . . That was very hard for me. Management before the partnership, they were our enemy. That was how it was. So now with this partnership, it just made a huge turn. Sometimes some of them are still enemies to us. But it's just different now."

A lead manager says that even without LMP, they "probably would have had some staff on teams, but not under the understanding of partnership." On the one hand, she remains a bit skeptical about the input of union representatives on some of the teams and points up some problems related to union capacity: "Based on their involvement they were able to provide some insight on some little things that we may not have considered first hand, but my concern during the entire project was that their availability was rather limited. Initially, they were clearly there in attendance but as other things evolved outside of the project they were pulled or they made the decision to go to this other meeting, and so they were not there in terms of their attendance. We thought if you're part of the team, you have to be there. . . But certainly the times that they were there, they were able to contribute as best they could." While this manager also expressed concern about union capacity in terms of their familiarity with this type of project, another manager somewhat closer to the operations reported, "They

came up with great ideas. . At Selma, it was just the basic flow of how a patient would come in. The location of equipment so it would be much more efficient."

Another manager echoed the concerns about the process, but pointed out that the organization has gotten better at partnering over time: "[The rebid] was very frustrating because it took much longer than I wanted it to take, but it was strictly following the Partnering agreement, which we're much better at now. In Medicine, we had people that found out a week before the Selma clinic opened that they were going to be working in Selma and they were not from the Medicine department, so they had very little time to get trained."

The staffing team, however, dealt with a difficult process, one that would have caused nothing but headaches for management: "It was 250's baby. They created the process, they were responsible for it, if anything went wrong, it was on their heads. I guess that's the upside. I don't think management would even want to touch it. If we did, we'd just be criticized for every little thing that we did, whether it was good or bad." Similarly, another manager spoke to the role of a Chief Steward in the early days at Selma: "It's not something management could have done on its own – with the managers. But a peer to peer helping someone get organized is much less threatening."

Labor representatives point to some significant substantive differences in operations due to their involvement in that committee, for instance changes in the handling of messages; more direct communication between doctors and Medical Assistants. There were also some minor areas of impact including operating hours.

It is difficult to discern whether these impacts in turn had an impact on other outcomes. Patient satisfaction surveys, for instance, provide some mixed results: Selma opened in June 2003 and their 3rd Q results for that year "were ok." Pediatrics and Ob/Gyn's scores were very high. Medicine did not do well.[4] Clovis opened in September 2003; their 4th Quarter results were all high. The surveys indicate that members at Clovis are very satisfied.

The People Pulse data are not broken out by building, so there are no measures available of employee views of working in these facilities. A steward reported: "Not everyone is going to be happy a 100%, there's going to be upset people, but we had far more happy people than unhappy people." Some doctors were reported to be unhappy at first, because they lost the Medical Assistant they were used to working with: "[The Doctors] were used to their M.A.'s. So we had pissed off Doctors that turned out, that, oh, they love their MAs now. It was just

---

[4] Initially, the problems at Selma seem to relate to the fact that both the pharmacy and lab have only one staff person which means that they close down for breaks and are generally slow. The lab was an issue – again, only one person to register and do draws. Reportedly, the parties have used LMP to correct this problem.

that fear. It was funny, because some of these Doctors were fighting us, saying that the MAs didn't want to go. But the MAs did want to go. . . [The Doctors thought that if [they] came and told us that they don't want their MAs to go that it was going to stop it, that everything was going to stop."

Revenue Capture

Catalyst for Effort. At the time of the case study, Northern California, like other regions of Kaiser had been losing members and therefore experiencing cost pressures. LMP efforts were undertaken to increase membership and become more efficient – examples of these efforts in Fresno are discussed further below. Another response was to do a better job at collecting revenue that Kaiser is entitled to, such as member co-pays. Perhaps surprisingly, most parts of the Fresno facility were collecting no co-pays at the point of service. Billing for co-pays carries with it substantial costs both for the process itself and in substantial lost revenue. (One estimate was that 30% of what is billed is never paid.) The Northern California region set a goal of collecting 75% of co-pays from members in the In-Patient facility. At Fresno, the leadership decided that "revenue capture" would become a subgroup of the monthly LMP meeting.

Description of Process.

The Revenue Capture (RC) group has evolved. It began as a management group (the Fresno Revenue Oversight Group) meeting monthly, a meeting in which labor was also involved. This group examined the monthly reports and looked for areas to target. This group then became a group that meets monthly as part of the big LMP meeting. "At the LMP group, we have both sides, so it's kind of nice, because we have the input of everybody. So we bring some of the same topics to the group." The LMP RC group is co-chaired by Kathy Arnold, Administrative Services Director for the Business Office and Admitting and Susan Torres, a Chief Steward. Other members include a regional manager (Shelly Darcy), an Assistant Manager in the Business Office and 3 Local 250 stewards. There are no physicians involved and at least one manager said there is really no reason for them to be involved, at least at this time.

Three areas were originally targeted for RC efforts: Inpatient, Outpatient Surgery, and the ED. Later, the regular Outpatient facilities (Medical Office Buildings), Lab and Radiology were added to the list.

Subcommittees were developed for the targeted areas. The Inpatient group, for instance, consists of managers and workers from admissions and an SEIU local 250 steward. (These workers and the steward herself have the title "Administrative Partner", another name for Clerk.) In meeting with the APs, the leadership was careful to explain the context for the change, that failure to capture revenue over time could lead to the elimination of positions. This committee began by brainstorming ideas. The change began with simply asking

patients for the money during the admissions process, but this required a change both in patient and worker culture. A manager describes the process: "What we put in place then, was a process to actually ask the patient for the money upfront and let them know that their co-pay was due at the point of service and ask them how they would like to take care of that. . . That was the biggest turnaround, was training the staff. So the culture has been very difficult to change, the patient's culture. They went from not having a co-pay, to having a co-pay, and then actually having someone ask them for the co-pay. So it was very difficult. And the staff too. It was a culture change for the departments as well, someone coming into the hospital room asking for money. It's not a pleasant sight sometimes. We've gotten over that." A Steward echoed this view but also recognized the business realities: "It's so hard when someone's sick to go in there and ask for money. It's hard. I said, 'Get over it here. We're drowning. We could shut down if we don't collect our revenue.'"

Part of the patient education involved developing a flyer and then placing the flyer in plexiglass in patient rooms. Further process improvements for the staff that helped with collecting co-pays beyond the point of admission involved things like equipping the Admitting AP, who is responsible for collecting the co-pay, with a pager and then having the staff on the floor page the AAP at discharge so that they can collect the co-pay then.

In outpatient (Ambulatory) surgery, the LMP RC group developed a pre-registration process part of which involves collecting the co-pay. Similarly, other areas of the outpatient facility, like chronic disease classes, have begun a registration and co-pay collection process. Before the RC effort, only 20% registered. At some points that has gone as high as 100%, though it is now around 85.

<u>Description of Outcomes</u>.

Everyone seems to agree this effort has been a resounding success. Workers have embraced it: "They took to it because it was their own. 'You guys, we have to make this happen. We need to let them know that we can do it without management's help. . . Just knowing … that it's not management running the meetings, it just changed the whole mode, it just really did. . . Then letting them know what the results were, was a plus. . . Sometimes I'd be walking down the hallway, and they'd say 'Hey [steward's name], I have an idea about the discharges.'" The efforts have been reinforced by keeping a close watch on the data: "I said, [to] the managers, you have to let us know where we're at. " [When we had over 75% the first time we started collecting], we told everybody."

Harper reports that the facility went from 0 to 75% collection of co-pays from April to November 2003. At times, the facility has actually gone over its target of 75%. At others times they have slipped under, although this is met with a swift reaction. The data comes in weekly but is reported on a monthly basis,

divided out by some general areas. The Table below lists Fresno's results for the period from April 2003 to January 2004.

	% Copay Paid April 2003 -January 2004	Target
Inpatient	61	80
Outpatient	95.7	98
Emergency	72	65

The Inpatient collections were well below target for that month but still higher than average for the region. The Outpatient collections were close to the target but a little below the regional average. The ED was well above the target and the regional average. In fact, the Emergency Department is counted as the biggest success and was tied for the highest percentage collected in the region. For that same time period, Kaiser collected over $670,000 more, assuming the starting point really was zero, in revenue at Fresno alone.

These results beg the question whether they could have been obtained without the partnership. The manager with chief responsibility for the project answered that question this way: "[This project] probably could have [been done without the LMP] but I don't think it would have been as easy. They offer a different skill set. They offer a point of view, not only of the patient, I mean we're all patients at Kaiser, but they offer a different perspective. They can see what their members, their Local 250 members, are seeing. They can hear, they have the heartbeat of the organization. They know what they responses are, because they hear them everyday."

Service Enhancement

Catalyst for Effort. Fresno has had management-led service enhancement efforts for many years and has consistently low Member and Patient Survey (MPS) scores, including the lowest in the region at times.[5] Late in 2002, the scores were shared with union stewards in a systematic and complete basis for the first time: "Senior leadership would start talking about service, but not give us the reason why. . . My understanding is that Corwin and senior leadership was under the impression that management was sharing it with the staff, but they in fact weren't. So it became apparent to them that that wasn't happening, so they needed to target that – let them know why, what's going on." (Steward) Reportedly, stewards were horrified. Thus, the LMP took on Service Enhancement (SE) as Partnership project.

[5] The management-led efforts have, at times, involved employees. For instance, the Service Champion Committee is drawn from the workforce, but nominated by managers. The job of the committee was to manage a reward and recognition program for providing good member and patient service.

Description of Process:

Susan Torres, a chief steward and Senior Administrative Partner (aka Unit Clerk) and Sophia Juarez (Service Manager) are the co-leads for this effort. The Service Enhancement Committee – officially know as the "Guiding Team" (from the book, *The Heart of Change*) has approximately 11 members and meets once a month at the big monthly LMP meeting. The committee includes regional managers and upper management. The membership is half management and half labor. All of the other unions are also involved. The group did not go through any LMP training as a team although some members had done so earlier. The group did read the book, *The Heart of Change* together as a basis for team building. The Service Manager describes their role: "They are supposed to help us remove any barrier that might come up. To give us advice on how to proceed forward on certain things and to constantly be a role model for service in the facility."

Sophia Juarez was hired as Service Manager after initial discussions had begun: "For me, I knew that in order to make it succeed in this facility, we had to have the Partnership involvement. . . When I approached [the Steward] about it, she sat and listened. Actually, I had a whole audience of Local 250. They sat and listened. They really understand that if service does not improve they could be looking at loss of jobs. So it was really important to them as well."

As with Revenue Capture, certain units within Fresno were targeted for initial efforts, in this case LDRP/Birthing Center, the Emergency Department (ED), and Medicine. These units have been targeted because improved service within these units would create the greatest overall impact. According to Sophia Juarez, the Birthing Center was chosen because the region has identified it as a place that "needs to be upbeat" and "should be a positive, happy experience for patients". – this is a regional target – needs to be upbeat. Medicine and ED were chosen because they are the most frequent point of contact for most members.

Each of these departments has its own Service Enhancement committee. A conscious effort has been made to represent a wide range of experiences. The members of committees include someone at every skill level and every shift and "nay-sayers as well as champions." Importantly, the committees also include people who are not members of the department but whose work effects the department, like EVS. Stewards are involved in choosing the workers who join. The committees also include the Departmental managers. The Chief Physician for the unit is also asked to attend but their actual participation has varied by the unit. In Medicine, there has been good participation and support from doctors themselves, less so from the Chief.

It is interesting to note that despite formal non-participation in the partnership by some unions, members of non-partnership unions do attend SE committee meetings: "Some [of them] come. . . Because it's a partnership effort,

we don't purposely [encourage them]. . . If there's a vote, they don't vote and things like that. But I welcome their input. They're part of the team too."

As with many projects at Fresno, the SE leadership has motivated committees by increasing their understanding of the business consequences of the work they do and sharing data about the loss of members. As Sophia Juarez put it: "We tried to create a sense of urgency so that they understand why we need to change.". The next step of the process is the development of norms, behaviors and a vision for the department. The emphasis has been on simple process improvements.

Despite the attempt to be inclusive, there have been some problems with participation. At times there have been meeting attendance problems. In at least one unit, workers were attending but not participating. The oversight committee then added stewards to that committee: "That way everyone is able to be heard. We wanted to make sure that everyone was comfortable to speak up and to be able to be heard. No one had wrong answers. Of course, if you're not a steward, you're very uncomfortable coming to meetings. . . Some of these meetings, no one was being open. . . [Management] allowed me to talk to my Local 250 folks and say, 'if you guys don't let them know what the problems are, how are things going to be solved. . .' Then after that, she said staff were more open." (Steward)

Teams meet regularly, often during lunch. The focus has been on identifying barriers to good service and "little steps" to work on each barrier. Some teams have surveyed the staff to help identify the problems. There are many examples of such "little" changes initiated by the various teams. One of the patient survey items that contributes to the low scores is a question about "familiarity with your provider" In response, the team in Medicine developed "like a [biographical] description of the doctor, it has a picture of the Doctor, where they went to school, it introduces them. Just little things to present that to the members, you know, while they're waiting in the room." Another example involves changing the way staff interact with patients: "We have scripts – Sophia doesn't like to call them scripts - with the patients. Don't just use their first names. Elderly people are offended by that. And using their names when you're interacting with them. . . All those little tiny things as opposed to this broad service spectrum that we were focusing on before." At the same time, a management informant reported that there had not been much process improvement and that the group was resistant to more fundamental changes. This has since begun to change.

Another example comes from LDRP where staff taking personal phone calls was identified as a problem, particularly in the noise levels created. The team developed a solution not to ban the calls, but to keep them to one specific area which helped traffic flow on the floor. Another example involved getting food to patients who had just delivered a baby but when the cafeteria was closed. The team worked out a solution to supply a meal, in fact, a "deluxe meal" to help celebrate the birth. Other changes include doctors and nurses "rounding"

together. While management reports that the Chief Physician is very supportive and tries to attend regularly, stewards reported very limited involvement by Birthing Center physicians including the Chief.

The Emergency Department has worked on things like organizing their closets and storage rooms. They also initiated a "pre-shift huddle to build morale."

The process has been extended to other units including HR, Continuing Care, and the Lab. Sophia Juarez reports that the Lab has been doing particularly well. They've created a specimen check-in counter so that patients don't have to wait simply to drop off a specimen. They've also worked on phone issues, developing new answering scripts and working on reducing answer times. In an example of the benefits in involving support units, they have teamed with EVS to keep the bathrooms, waiting room and draw station cleaner and with Emergency to reduce certain specimens.

<u>Description of Outcomes</u>

Management and union representatives reported satisfaction with the process. One steward summarized the effort echoing a consistent theme heard from union representatives, that workers prefer ideas, suggestions and processes developed by union representatives or other workers, not managers: "It's just getting actual key players that work in that area to come up with decisions and see how something else can work better. . . It makes them feel better because they thought of it. It wasn't the manager. It was everybody." At the same time, management is working with the "Guiding Team" to improve their SE leadership.

More systematic measures of success include patient surveys as well as the annual employee survey, known as People Pulse. At the time of the site visit the project had been ongoing for a little more than year. On the one hand, a Chief Steward reported that there has been little change thus far in the patient survey scores: "We always think they're going to be better, but the ones we just got weren't any better." This is a source of enormous frustration for stewards: "It's frustrating, because like I said, you think you're doing better. It's almost like a slap in the face. And then, you look at us for example, the partnership that we have. Everyone's always talking about how great Fresno's partnership is. Well, why can't we make it work then? We have other facilities who are doing better who don't have a good partnership. So what's the problem?"

Sophia Juarez was less negative. She reported that the Picker (the in-patient survey) scores for the Birthing Center for the most recent quarter (3rd Q 2003) were the highest in the region for overall satisfaction at 97%. "We did have some performance targets that we'd like to meet that our regional people have developed. So, we were happy about the 97%." They look at four questions from

the survey.[6] Three out of the four improved. Perhaps surprisingly, the one that didn't was helpfulness and courtesy of staff, and so the committee is working on that.

Emergency had the same targets, and the same results with three of the measures improving but not "helpfulness and courtesy". Juarez links this continuing problem to staffing and process issues in other units on which Emergency is dependent for managing patient flow: "I know in the ED, they just feel so overworked. They had improved for a while, they had gotten past that. But now that it's gotten busier again, they feel real beat up, they feel no one's able to help them. They can't get the patients up [to their rooms]. They know the room's empty, they know it's clean, but they won't take them up there because it's almost change of shift. It's 2 o'clock and the shift changes and they don't want them in the next hour." Juarez reported that in Medicine there have been problems with management turnover that have hindered efforts there. Further, workers argue that they are understaffed and "don't have time [to treat patients well]."

The parties seem to be taking measurement seriously. For instance, one area of concern is the "phone statistics", including the crucial contributor to a member's perception of service, how long it takes a call to be answered: "The phones have been a crucial issue lately. Where we have to make a difference in our phone statistics." (Steward) But the available statistics are currently too general to really assist teams in working on this issue: "We're identifying that maybe the statistics we had were too general, they weren't specific enough. And we worked with the [IT] to figure out how to get more concrete, more specific, even down to the hour. . . What do we need to be doing differently in this process to make sure there's somebody to answer the phone during that crucial ½ hour." (Steward)

A review of 2003 MPS "Total Service Scores (based on "5 Imperatives") for the entire region provides some evidence for both a pessimistic and optimistic view. Fresno was close to (third from) the bottom of the 17 Medical Centers in the region. On the other hand, if you look at change scores from 2003 to 2003, Fresno looks better – it ranks 7th from the top in percentage improvement (16.3%). At the same time, the lowest ranked Medical Center in the region experienced a meteoric (45.1%) rise from 2002 to 2003; Fresno's efforts have not had comparable results.

Other noteworthy projects:

Marketing

[6] In order to try to isolate the impact of the SE efforts, they excluded questions they felt that increased access, a different initiative, wouldn't effect.

One focal point for Fresno's LMP has been union involvement in marketing KP to employers. During one interview, Harper described the unions' assistance in retaining Fresno County which was threatening to withdraw and is their single largest group.

> "We took four stewards to the negotiations for renewal and they were able, with the help of the Fresno county unions, to keep the business. The stewards understand the business, could answer all the questions, and provide valuable insight into the business."

The Chief Steward and KP's marketing people have also worked with the Central California Central Labor Council to strongly recommend KP as a provider.

One of the first items on the agenda of the monthly meeting was Harper thanking Rodriquez and the unions for their assistance in bringing in a new employer with 500-700 potential new members. Discussion then ensued about another potential customer. They were working on setting up a meeting and Rodriquez indicated that she would "find out what concerns they might have so we can send the right people."

Cost Reduction:

While the loss of members and efforts to increase revenue are being addressed directly by the efforts described above, Fresno has also been working at reducing costs, the third component of a healthy bottom line. Some of this takes place through the Cost Savings Committee, led by Mark Harmsen, Assistant Administrator Support Services. The savings identified by this committee come from a wide range of purchasing decisions. One area of savings has concerned paperwork and mailings. According to a Steward, members of the Cost Savings Committee "were all encouraged to go back to departments to find old forms we weren't using anymore, and if we were going to discontinue using a form, and another department needed it, to share that form until we got rid of it. . . You get in a room, a 100 people that work in the hospital, in Medicine and you're all talking about the same thing together. And it's like, 'Hey, we're not gonna use this anymore.' 'OK, well we have 20 packages of them and it's going to take us 3 years to go through them, why don't we give you some. 'Well, I have these ink cartridges we're not using anymore.' 'Oh, well we need those.'" This steward reported that her department alone saved around $10,000 for ideas like this. This same steward discovered that left window billing envelopes were a third of the price of the right window envelopes Kaiser had been using: "It saved tons of money." The committee has also pushed departments to use Bulk Mailing whenever possible rather than Priority or even First Class mail.

In at least one department, a steward has taken on the role of supply lead for her unit; one of her chief goals in that role is cost reduction: "I'm the supervising supply manager, so to speak, of my department. Nobody from our

department orders anything without going through me first. And then we go on the Internet ordering system trying to find a similar product at a lesser price. And replace it with a comparable product. And then I submit the orders to my manager for approval. She loves that I intercede and take care of some of that legwork for her. It gives her one less thing she has to worry about. Early on, making a lot of calls, finding out what our price breaks are for ordering larger quantities of products."

Some of the savings, as with forms, involve finding needed equipment elsewhere in the Medical Center: "We need a new cart. 'OK, let me find one. Ok, I found one. Nobody's using it.' $1500, saved, just like that." When Clovis and Selma opened they needed new packages for simple surgeries: "One guy took up the responsibility for going around and find like these graveyards where all this equipment was just sitting around not being used. And they were able to get everything sterilized, packaged and utilized instead of having to order new products." They saved $18,000.

A steward also reported that the union was working with management on enforcing the contractual vacation policy. Previously, workers were being allowed to take vacation they had not yet earned. This saves money and increases the staffing levels but reduces flexibility for employees.

Stewards reported that union representatives and workers have saved substantial amounts of money through these and other efforts. Some of these savings are one time savings, but many our ongoing. Further, these savings seem to be contributing to a healthy bottom line: "I know that Corwin said that last year we did lose quite a few patients, and even though we lost patients, we still did not lose money as a facility last year. . . For him to be able to say we were in the black, you know, because of all of these little projects multiplied by how many times across the facility, really made me feel like we're making a difference. We're helping keep our doors open, we're helping keeping us employed. That's how I see it. . . .I really feel like if I have a good idea, I can send off a Lotus note to a manager of another department." (Steward)

Analysis

It is clear that the Fresno model of LMP is different from most others. There was a great moment in the day-long monthly meeting that I attended when Harper asked new managers to stand and a new steward stood up – he did it in part to be funny, but it at the same time it seemed symbolic of both the level of union involvement and the potential pitfalls of that involvement if stewards "cross the line" into managerial roles. Union representatives are working much more closely in a day-to-day way with management than in many or even most other KP facilities. Union representatives are helping to "co-lead" in some areas, but both union and management representatives argued strenuously that they are not co-managing.

One manager argued that the unions were not co-managing but were, rather, "keeping management in check but up front rather than after the fact."[7] Other labor and management representatives pointed out that managers have not given up final decision-making authority or responsibility and accountability and it is this responsibility and accountability that defines the managerial role.

Relations between union representatives and managers have improved and these improvements have enabled changes in work and administrative processes that, in many cases, contribute positively to the bottom line. It is less clear where this leaves union members and raises questions about whether the unions, particularly Local 250, risks being perceived, wrongly in the view of local union leaders, as an adjunct to management rather than an independent representative of the workforce. These issues, and others are explored more fully below.

Integration into Management Structure

In addition to the committees and projects discussed above, labor representatives are being included on other operational committees that were formerly management-only. One example was given by a manager was a committee working on a blood pressure project. This was offered as an example of the kind of "up front" involvement the unions have gained and the benefits of that involvement for the business: "They – the union – really understands the business now. There's been a lot of education. 'What would be better for the patient, what's going to cost less for us? What's going to be more efficient? What do we need?' So, projects are great. They're helping us from the very beginning and we're getting a better product. We're not getting pushback. We're having a lot less things that we didn't think of come up because they're so involved. So it's wonderful."

Further, and as discussed elsewhere, some departmental managers are integrating stewards into daily management. At the same time, some union members are uncomfortable with stewards taking on that role. As one steward put it,

> "I think the manager that I have, she wants us to become involved. . . Some people could look at that like, 'well she's just trying to pawn off all her work.' But I actually view it as, the more that I could learn or the more that I could do, I felt better off, the more that I know. And I'm happy that she trusts me enough to delegate that responsibility on to me. But somebody else might say, 'Well, you're not management.' Or, 'you're not

[7] This view is consistent with the self-reported level of union involvement in decision-making from the facility survey conducted in Spring 2004 is relatively low. On all decision types except "Operation/Process Improvements" the unions were reported to be "informed" ("decisions [are] made by management but appropriate union representatives [are] notified and provided opportunity to express views before implementing"). "Operation/Process Improvements", however, were reported to be made by Consensus.

getting paid for that.' 'Why are you doing that, why are you making her job easier?'"

In another department, the manager is expanding the departmental roles played by both staff, including RNs, and the SEIU steward:

> "There's a flow-chart that they designed for each of the managers: computers, budget, service. . . Local 250 employees were all encouraged to sign up and volunteer to sign up and be in charge of. Like there's another girl in our department, if we have computer problems or concerns, before we go to IT, we go to her. And she helps out the department with computer issues. Instead of always having to go to the boss for all of these little problems, she kind of did this flowchart, she had some CNA people step in on some of the stuff, Local 250 people step in on some of the stuff. And I think it took a lot of responsibility off the shoulders of the managers, but not in a bad way, in a good way."

This way, this steward argued, the manager was not overwhelmed all the time with her duties and "doesn't have to babysit or look over their shoulders all the time" Labor and management representatives at Fresno argue that these expanded roles are not managerial because the manager retains the accountability and final decision-making power and stewards never cross the line into managing. Rather, they see this expansion of roles as deepening the staff and union "ownership" of problems and the problem-solving process.

Improved Relationships

Virtually everyone interviewed referenced the improved relationships between managers and union leaders. Stewards (and managers) saw the improvements coming through the constant interactions both on committees and through day to day partnering ("just doing the work"). This quote from a chief steward provides another example of this dynamic:

> But then we kept finding ourselves back being put on committees together, being forced to be together and then really understanding that she is here for the same reason I am and me, more so, understanding the role that she has as a manager, and she's not just a mean person, but she has a hard job to do. And understanding what goes into being a manager . . . My realization of that. And then her realization of my role as a steward and what I was there to do and that I needed to advocate for people and protect the contract was primary role, not that I was necessarily protecting this horrible employee but the process. So I think we took the time to really listen and understand each other's roles, is where we were able to really let that barrier down. . . That's what I try to tell the other stewards: Just because they're management doesn't mean they're always wrong.

Another steward describes her partnership with a manager she used to strongly dislike: "She told me the other day when I went in to a meeting with her, "You know [steward's name], something came up on my desk, and the first person that came into my mind was you that I need talk to about this. . . [Before] I would never have thought of your name. We've come a long way."

Upper level management has pushed hard on lower level managers to build these relationships. One manager report being "called on the carpet" by her boss:

> I think the turning point with Local 250 was [a meeting] . . . Shirley's answer was, "[manager's name], you need to bend, you need to do this, that and the other thing. And [the stewards] saw that I got cut down big time and I guess it made me human. I did not enjoy it at all. . . [The Chief Steward] and I went into one room and said this isn't working. . .I was able to honestly go to [her] and say 'Can you help me? I need a little bit of education. This is the situation. I want to do it the right way. This is what I'm seeing. I don't see it in the contract. What do you suggest?' She seemed to appreciate that quite a bit.

These improved relations are in turn improving problem-solving and, in some cases, organizational outcomes. One Chief Steward put it this way: "I've seen a lot of things resolved where before people could just be butting heads, and going back and forth and not getting a lot of things resolved. But now, I see that people are willing to discuss things more and still may not agree, but have this little pause and agree to disagree and try to negotiate. So, I see lot of positive outcomes." Another steward reported, "The managers come to us now and ask questions where they didn't really before. They would just consult with another manager or do it how they wanted." Managers have a similar view: "It improves [relationships] dramatically. . . It builds relationships. You see them as someone who can help the situation as opposed to someone who is hindering the situation." Or from another manager: "Once you have the union's backing, you can go far. And you have their support. And it doesn't mean they don't question what you're doing and why you're doing it. But they're very supportive with their membership. It's the only way you're going to get things done around here."

However, the improved relationships aren't showing fruit in terms of some of the target organizational outcomes. As a Chief Steward said, in regard to the Service Enhancement initiative, "I think the adversarial relationship between union and management, the partnership obviously has thrown water on *that* fire. But the outcomes, the reason that we're all here, the patient care part, hasn't shown, as of yet, how good that relationship is working."

Although it is clear that a majority of managers and stewards are "on-board", as in any labor-management partnership, there are resistors. As one Chief Steward said, "I'm showing you that a lot of stuff works, but there's some stuff that doesn't work." One steward was skeptical about how much some managers had really changed in their approach to managing: "[T]he manager

still feels like, 'I'm the manager. I'm going to include you and you can be on my level for a few minutes while we're having this discussion, but I'm still the manager and I'm still going to make the bottom line decision.'" Another steward argued that it's been harder to build relationships with some of the younger managers in part because they're insecure in their role: "Every time you go into a new department which never had a steward, you have a big struggle, a big struggle. Then you feel like you have to go over that manager's head and email Corwin or have a discussion with Corwin about it." These end runs, naturally, are empowering for the union representatives and, at times, demoralizing to the managers. The impact on managers is discussed in a section below.

At the same time, it is clear that the long-standing relationship issues and general atmosphere of distrust means that managers are still viewed with suspicion by some workers. This theme was sounded repeatedly in the discussion of the project work, that workers needed to see themselves or union representatives as the source for ideas or as "owning" a project. There is a disconnect in the relationship building between workers and managers. One steward described how she had built a relationship with a manager she used to dislike but also how she copes with her peers in the workforce: "When I hear people downing her [the manager] – no. Because that was me before. [I tell them], 'You don't know her. Let's go talk to her before you start thinking that that's the way she said it or that's how it was done. Because maybe there's another reason why.' That was never me. I was them. . . Members don't get that chance [to work closely and build relationships with managers] The stewards are lucky." In summary, labor-management relationships have come a long way at Fresno. At the same time, and not surprisingly, there is still some distance to go.

<u>Lots of union leader involvement in managing, but what involvement by members</u>?

As the discussion immediately above makes clear, there is much greater involvement by union stewards than by members of the unions. The Service Enhancement and Revenue Capture efforts representexceptions where members participate on departmental committees, although without LMP or other training. A staff representative from one of the smaller unions expressed concern at the lack of "frontline" involvement and argued that the "elite group" in the room with management are involved and satisfied but if you go on the floor, the members don't know what's going on.

This is reflected in the People Pulse scores for 2003:

	Region		**Fresno MC**	
	% favorable	**Change**	**% favorable**	**Change**
Personal involvement in LMP activities	**42**	**+5%**	**38**	**+2%**
Knowledge about LMP	**44**	**+5**	**35**	**+1**

Influence over decisions	36	+4	34	-1
Have regular team meetings	73	N/A	65	N/A
Mgt uses employees ideas	49	+5	46	+1
Leadership lets me know what is going on	55	+5	49	-4

Fresno is clearly a lower than average performer on a number of questions about involvement and influence. While most of the trends are upward, they are not moving as vast as the region overall.[8] In fact, leaders at Fresno have recognized this shortcoming and report that in the year since my site visit, they have worked to increase front-line involvement. This includes better sharing of information including giving workers access to the minutes of the LMP meeting.

This tilt toward union institutional involvement would seem likely to cause resentment among union members and concerns among the members about whether the union's really representing their interests. Some stewards and managers saw evidence for both. One Chief Steward reported, "I'm feeling the tension with the people, they're thinking that maybe there's favoritism, which there isn't." In some respects, this problem may result from insufficient communication with members, something the parties are working to improve. For instance, another steward argued, "A lot of [members] don't understand the partnership, they think that means that you're going to side with the manager, rather than take my side. You know, you're in the pocket of the manager, you go in there and shut the door and have discussions." This same steward shared this view at first, before she became a steward herself: "Does that mean I can't come to you anymore with my issues, because of the Partnership? That's the way I took it. . . I felt like I really couldn't talk to her anymore if I had an issue. I just felt that she was not going to help me, that she was going to say, 'Well, because of the P, you're going to bend.' That's the way I viewed it. . . Now, that sounds crazy!" With the benefit of experience, she sees the Partnership, and the union's role in it, in its fuller complexity.

A manager sees the same dynamic of misperception cleared up experience: "Some of the members resent it, a lot. . . They've told [the stewards], 'You're in management's back pocket.' When they see some of our interactions, they see that it gets pretty heated, they get a better understanding. . .they see it's not that at all. We go at it, but when we leave the room, we're a unified front because this is what we agreed on."

[8] There are a few People Pulse questions on which Fresno does better than the regional average. These include a number of indicators of employee commitment like understanding of their role, agreement with KP goals, opportunities for career growth and even "KP is a good place to work." It should be noted that these scores include managers and non-partner union employees.

Stewards work hard at communicating with members so as to reduce the problem, often with the help of their managers:

> "As a steward, I try to communicate as I'm walking, when I'm working on the floor, just tell people what's going on, because there's so many staff members and so few stewards in relationship to the staff. As many people as I can touch with communication throughout the day, that's how I continue to usually do things. Even with the LMP meetings tomorrow, myself and most of the other stewards, our managers give us a period of 10-15 minutes during our staff meetings every month, to update our departments, to talk about what we talked about at LMP, what's going on ."

> "We're in this big room with all these people that have all the information and then getting it back to the facility, to the people who need to know it. We've made a conscience effort to do that, to get it back [to the staff]. Because I know their frustration, that we're gone, twice a month we go to these meetings, but 'what are you doing there?'"

> "[Workers who are the Service Enhancement committees] don't actually know what is their position. . . Being a steward, you would know the difference because of the fact that we go to these LMP meetings. There's so much more members than there are stewards, though we try to get the information out, and have AP [Administrative Partner] meetings, and the stuff that I've learned in the LMP meetings, that's a big focus of my AP meeting today. Yeah, and I think it's fear, that they'll get in trouble if they ask a hard question."

For one steward, this communication and the efforts of her manager to make sure there's enough staff on the days when she has scheduled LMP meetings make a difference: "I don't see a lot of animosity. I think my manager really makes it a point to staff well on those days, so they're not like, 'Oh no, she's at a meeting again.' I do try to come back with *some* information." . . . I'll try to get them all at the nurses station. . . A lot of times too, they'll come up to me and ask me to bring up something at the stewards council."

Closely related to the issue of direct worker involvement is the question of whether members feel they are getting good representation from the union. There are few indicators for this one way or the other, but some comments from managers, as well as some of those cited above, suggested that members may be wondering what, precisely, the union's role is. The first of these discussed how stewards are getting pulled into managing workers:

> "Day to day, they're – the union's – doing the peer to peer thing. [Saying to workers], 'You know this isn't benefiting the member [patient]. This is what you're supposed to be doing.' And a lot of that happens in peer to peer conversations before we get involved. On the flip side, if we see that

> staff's not really doing what they're supposed to do, I feel comfortable going to the union steward to say 'Are you aware of something that I'm not aware of? This is what I'm seeing. What's up?' Sometimes they'll say, 'Oh gosh. I can't believe it. Let me go talk to her instead.'"

Similarly, managers indicated that unions have been very supportive on enforcing the attendance policy. Another manager described the changing role of stewards in this way: [A steward will say], 'You need to stop acting out. . . We can protect the contract, but we can't protect you.'" It is easy to see that although union leaders and stewards and managers are clear that the union is not co-managing, union members might well be confused about the role of the union within the management function and structure.

Union Capacity

In addition to the potential problems with members, the heavy union involvement was creating union capacity problems in early 2004. Harper and Rodriquez reported that stewards get release time to participate in LMP business on an "as needed" basis. Chief Stewards reportedly spend a lot of their time on LMP activities and tend to serve on multiple committees; some feel overwhelmed with their duties: "You know I cried this morning because I was doing the agenda for my [unit] meeting . . . There's a lot of things I said no to, cause I just can't do it anymore, and I'm torn because I feel as if I don't do it, no one's going to step up to the plate and then it's going to be left."

The union was still thin on people who were willing and able to step into these roles. Here again, the situation is reported to have improved in the last year.

Stewards were being held accountable for fulfilling their representational role including LMP: "[Management] used to come to me and say, 'Your stewards that you put on there are not showing up. That's a problem for me, that's a huge problem for me. . . It makes the union look bad." As a consequence of this kind of problem, the union has actively challenged low performing stewards to change or leave their positions: "We had some shop stewards who were not participating, were not meeting the requirements of the union's governing Board. They had an opportunity to come and either reaffirm or give reasons for why they weren't attending meetings and giving good representation to the union representatives and they were either voted back in or asked to step down." This process was described fully to managers and stewards at the monthly LMP meeting.

While this level of accountability demonstrates a commitment by the union to both good representation and to Partnership, given that Steward must be elected, it has actually added to the capacity problems in the short run. A manager from the Medicine Department reported that, for various reasons there are only 2 stewards at the moment: now. "It's awful, absolutely awful. As a

manager, I'm looking forward more to the vote for new stewards, much more than the union is." Similarly, at the time of the site visit, the Labor Liaison position was unfilled, although a Chief Steward had stepped into parts of that role informally.

Because stewards are also still working at their regular jobs, their heavy involvement can create difficulties for their managers and co-workers. As one manager put it: "That's probably one of the biggest frustrations for managers, with shop stewards, is they have to go to this meeting or that meeting, or deal with this person, they're pulled a lot, from their work. They're counted on as staff." Some managers complain that stewards often team up and that this creates unnecessary inefficiencies: "What we find is that the union stewards like to go in pairs, so you're not only pulling one from the hospital but the ED, 'cause they like to go in pairs."

In general, the amount of person hours that union representatives and some managers spend on LMP business, broadly defined, raises question about the efficiency of this level of involvement.[9] While some managers have concerns about this, others seem to feel that the outcomes are so much better due to the decision-making processes that are used, that the time is well spent and ultimately pays for itself: "The negative would be, for me, that sometimes it takes so long, because the process takes a little longer. Especially when you have something you need to do quickly, it's a little cumbersome. But then the outcomes are usually better, because you've involved more people, to get more people to be able to understand the process, to get them to know what the ramifications are if we don't do this. . . The challenges are getting all the information out to people and the Partnership has helped with that, because they're able to reach a bigger populace."

<u>How dependent is this process/model on Corwin Harper's leadership?</u>

There is no doubt that Harper is a strong and charismatic leader with a distinct vision of how to involve the unions in management. In particular, a key aspect of the success of the LMP at Fresno is his willingness to hold managers accountable. As one mid-level managers said, "Corwin walks the talk. Shirley walks the talk. They're setting the example. They're not cutting us any slack." Similarly, a steward observed, "[Corwin] gets on the management sometimes if they're not cooperating. . . Participation has not been an option – at all. I think it's going so well here because our local leadership understands that's it's not an

[9] During the monthly LMP meeting I observed, a group from EVS met in parallel for several hours, including for much of that time with Harper and Rodriquez. I observed some of that meeting and was very impressed with the almost therapeutic way that first Harper and Rodriquez led the group – which included union stewards, first level supervisors and the EVS manager, in a discussion of significant performance issues and then Rodriquez, joined by a Chief Steward, led the stewards in a painful but revelatory discussion of their interpersonal conflicts and the resulting inability to speak to management with one voice. But this process took the better part of a day and pulled the leaders away from the main meeting.

option. They're not fighting it at all, they're embracing it. So we're in a room one day a month – an 8 hour day for a month – and you have to talk."[10]

This kind of strong leadership leads naturally to the question of what would happen if he left? In fact, the parties will confront this issue soon when Harper leaves the facility in summer 2005. Is the LMP sufficiently institutionalized to survive that change? It's clear Harper himself thinks about this. As a steward put it, "I just hope we can still do a good job. Like Corwin says, 'If I were to leave the job tomorrow, I want to know you guys could still continue this partnership without me.' So, I do worry a little bit about that." A manager had a similar view, "He tells us all the time at meetings, 'you know you guys, I want you to be able to do this without me.'" But he often has to step in when conflict flairs out or there are "bumps in the road" – "If he wasn't there, it would probably be difficult at first." Another manager seemed more confident: "[Corwin]'s very important. But I think we're all committed enough that if he were to fall off the face of the earth next week, one of us would stand up and say, 'It's the right thing to do. It makes sense.' I don't think we would take too many steps back. We might plateau for a little while."

Impact on managers

Although the pressure on managers to commit to partnership and to work closely with stewards is probably a major reason for the successes of the Fresno model, it is not without its costs for managers themselves. Some managers have left the organization: "I think it makes you, for one, a better manager. It also will make your life very difficult. . . If you're constantly fighting it, the involvement, it's going to be very hard for you. As far as changing the way you do business, if, the way you've done your job, you've always done it as a managerial top-down type of thing, it's going to be very hard to adapt to the lateral-type of environment. . . Some have voluntarily left." According to a steward: "Some of the managers have stepped down and they're no longer working at Kaiser. And some of the stewards were encouraged very strongly to conform or to step away from it. This is something that we're really trying to do. And everybody has to buy into this – Corwin basically said, 'This is what we're doing.' . . . They tried very hard to get all the managers to get on board with this."

Others have found it stressful at first. In fact, one manager argued that many managers wanted it to fail at first because it was so hard. But many have grown to appreciate the advantages as trust has developed and they see that employees and stewards have a lot to contribute:

> "[At first] they didn't feel like labor really had the skill set to really do their [management] job, so then they're teaching them how they do their job. I think most of them felt it very frustrating and difficult that we had to get agreement on every little change we wanted to make. That is one of the

[10] As discussed above, the union has likewise been holding stewards accountable.

> biggest frustrations. But over time, their trust has been built. They've started to see it as a partner in a true sense. Somebody that knows how it is every day, that works on the floor, usually has great ideas about how to improve their job. So, I think that in the long run, we see it as a great thing. But initially, it's just a big change in how they do their daily work. . . ."
>
> "Initially, I think of it as slowing things down. It takes time to educate, It takes time to have a meeting. And then if I couldn't cover them on the floor, I couldn't have a meeting. But the administration still holds the rest of us to deadlines. I did have some resentment. . . My deadlines weren't changing.. . If we did have to go forward because we were past the deadline, immediately we were attacked, 'Well, you didn't partner'. Our administration didn't except 'Well, she wasn't available. She got called for a union meeting' 'No, that's your problem. You have to fix it. Your core staffing should have been in place.'"

As one steward observed: [Managers] are under a lot of pressure and they don't have the safety net that [we] have." Some managers report that they get less time with Harper now than before LMP was implemented – many management-only meetings with him have been eliminated – and that this is hard precisely because he's so encouraging and supportive.

<u>The role of physicians</u>

There is some involvement of physicians in the projects discussed above, particular the Service Enhancement efforts. There is some labor-physician interaction in some "management" meetings, but physicians do not attend the monthly LMP meeting and have had little LMP orientation and training. This has been a conscious choice by the leadership of the organization. Nonetheless, many interviewees, particularly union representatives, viewed it as a problem. One steward put it this way: "Dr. Lonjers is good about it, but to me, I don't see that the Doctors know or understand about the Partnership. . . Dr. Lonjers understands, but he's the Chief of Medicine, so he has enough context, because he chairs a lot of the meetings. . . But a lot of the other Doctors, I don't think they know anything." Doctors rarely come to the meetings, even as guests: "That kind of bothers me." "They have a lot of meetings, they have lunch meetings, and they have lunch provided. I still don't know why we can't just slip in 5 minutes to just, 'FYI, here's where we are, this is this, this is that'. . . Maybe it's just that they don't understand it." From another steward: "The doctors aren't aware of it [partnership]. And you know, you don't have that support from the doctors. They're not aware, or they don't care. I don't really know what it is. But I wish they knew a little bit. . . It's just not on their agenda." A Chief Steward reported, "Our stewards are always saying it should be L, M and P, meaning Labor, Management and Physicians."

The absence of physicians came up at the LMP meeting I observed. Though many stewards argued that physicians should attend the meeting, leadership wanted to try other means of communication first, arguing that front-line physician attendance at the meeting would be impractical. At the meeting, Harper reminded everyone that managers and stewards had been asked to go back and report to their Chief Physician what happened at the LMP meeting just as stewards would report to members. Apparently, this report back did not happen in many departments.

In interviews, managers agree that physicians often don't understand partnership or what its benefits might be: "We don't necessarily use the term partnering in the department [Medicine], so that's probably where there's a little bit of a disconnect with the physicians. We just do it. It's second nature to us now. It's not to them." One manager argued that physicians don't know what's in the contract and are nervous that they will violate it. There's also the common perception that unions protect "bad" employees. Still, when physician leaders have interacted with stewards in "managerial" meetings, managers report the physicians have been impressed and have become more open to greater union involvement. In one department, the physicians have become more accustomed to the union's involvement: "[The] Docs [would say], 'Oh do we have to talk to the union, why do we have to talk to the union?' 'Well, because they have really good insight into what can be done. . .' Now it's just comfortable, they're saying, 'Did the union sign off on it yet? Did they think of anything else?' So that's been nice."

It appears physicians would benefit from the "Managing in the Partnership Environment" which could help them to better understand the traditional role of unions and the partnership. Thus far, this training has not been offered to physicians, although one manager argued that they are quite interested in the Partnership.

<u>CNA issues</u>:

There has been much discussion of the drawbacks of CNA not participating in the partnership. At Fresno, RNs who *are* CNA members are involved in some projects as described above. That involvement is welcomed by SEIU stewards, but not necessarily SEIU or CNA leadership. As a Chief Steward put it, "The RNS are huge in our everyday thing, you know, especially for the hospital. . . But when we're in the partnership – sometimes I would go over [union leader]'s head and bring in an RN and I would get in trouble, 'You don't do that.' "

Managers also value the input of CNA members: "[CNA members] participate in the Service Enhancement process, yes. And we're trying to get them more involved. Our administration has not said, and they would never say, full disclosure to Local 250 but not CNA. It's the member we take care of, so. . . I'm actually about to start sharing cost with my nursing units." Still there are

limits to RN involvement because they don't get as much business information as SEIU and therefore the context for Service Enhancement or other projects.

Another management discussed how CNA can be involved: "The involvement of staff, whether they're a partnering unions or not, is key. . . We really don't advertise [Service Enhancement] as a partnership project. I think that, if we did, we wouldn't get the participation [of RNs]. We say that our unions support it, and that really does include CNA." While this approach has the advantage of bringing an important constituency into important work, it also may contribute to problems with the "branding" of the LMP.

Institutional relations between the unions remain strained regarding the partnership: "We've come to an agreement, that they're not going to be part of the Partnership. But we've agreed that Local 250 and CNA will start to have a friendlier relationship. I do [think this will make a difference to the Partnership] in a way. There's always been that thing that CNA thought we were sellouts, that we became partners with them, but [RN name] is awesome and we've been talking almost on a daily basis and she's CNA. Because we said we would do this with each other. But no, they still think we're the chosen ones. . . There's still that friction" (Chief Steward)

Conclusions

Fresno has pursued a different model of LMP than most of the rest of KP facilities. Labor and management leaders found the LMP's rules of engagement constraining and so, have developed their own mechanisms for partnering, centered on union leadership and assistance in managing the business. While some of the tools of the LMP, like Interest-Based Problem Solving are in use, Fresno has not used RAI and has not kept up with some of the OLMP training. Business education also underpins the model, though that education seems to go well beyond the Root Learning Maps approach of the LMP.

This model has its critics. At least one national LMP union leader, criticized the model at Fresno calling it "good labor relations, not Partnership". And indeed, the model has bred significantly improved relations between union leaders and activists and managers at various levels. The model includes regular communication and consultation with labor representatives around business issues. At the time of the case study, there was considerably less involvement by union members. The parties report they have been working to improve that more recently. Relatedly, there have been union capacity problems and the potential for a disconnect between union leaders, including stewards, and members. Perhaps also as a result of limited rank and file engagement, there seems to have been little systematic change in work organization and practices.

Despite all the labor involvement, Fresno has not ranked high within the Northern California region on many performance metrics. Fresno is improving

on many metrics. It has done particularly well with the Revenue Capturing work and generally on maintaining a reasonable financial position while still losing members. Patient service has improved in some units, but has not shown the overall leaps evident in revenue capture. Labor and management leaders recognize patient service as a weakness and remain focused on it as an area needing improvement. Still, without the kind of systemic change in work organization referred to above, it may not be possible to obtain substantial improvements in this area.

Fresno has not ignored national LMP projects and priorities, but seems to have focused more on meeting regional targets and addressing localized (but often widely shared) business problems. This case raises interesting issues about whether the partnership can tolerate or should even encourage facilities to pursue their own understanding of partnership. Finally, the alternate model, discomfort on the part of some to even use Partnership to describe what they're doing, and the involvement of CNA members if not the union may be creating some identity or "branding" problems for the Partnership. While the stewards and managers I interviewed had no problem identifying the specific projects discussed in this report as Partnership projects, union members may be more confused.