

The Labor Management Partnership at Kaiser Permanente

THE HISTORY

When Henry J. Kaiser and Dr. Sidney Garfield created a health plan for Kaiser's shipyard and construction workers in the 1930s, they created what became Kaiser Permanente. With a customer base consisting almost entirely of union members, Kaiser Permanente grew into the largest nonprofit health care organization in the country. Today, an innovative partnership among Kaiser Permanente managers, workers, physicians and dentists—the Labor Management Partnership—is the largest and most comprehensive partnership of its kind.

The Labor Management Partnership was formed in 1997 after years of labor turmoil within Kaiser Permanente and competitive pressures within the health care industry. It remains Kaiser Permanente and the Coalition of Kaiser Permanente Unions' joint strategy for workplace engagement and performance improvement. Today it covers some 90,000 union employees, 25,000 managers and 14,000 physicians in nine states and Washington, D.C.

THE THEORY

The Partnership is based on the simple idea that the people who do the work every day understand the challenges and can come up with solutions that might not occur to those who are not as close to the work. Independent surveys of KP employees have shown significant improvements in worker engagement, satisfaction and performance among workers who are involved in LMP activities.

THE PRACTICE

On a day-to-day basis, LMP means that workers, managers, physicians and dentists use joint decision making and a problem-solving process based on common interests. More than 100,000 employees, managers and physicians now work in *unit-based teams*—collaborative work groups that improve performance as part of their ongoing work. The arrangement has been credited with not only making Kaiser Permanente a better place to work, but also improving patient care and satisfaction. Results include:

- New team protocols for managing hypertension, diabetes, access to specialty care and other clinical services;
- Operational and service enhancements, and improved patient satisfaction scores in many departments;
- Cost savings and process improvements across Kaiser Permanente.

A MODEL OF MUTUAL RESPECT

Many prominent analysts consider the Labor Management Partnership a model. "Kaiser Permanente is one of the only organizations I know of that is trying to build a genuine partnership between its unions and management." says Professor Jeffrey Pfeffer of Stanford University's Graduate School of Business. "(Kaiser Permanente) and its unions are attempting to build an innovative model of management—a relationship of mutual respect."