

“Interest-based” negotiations

Healing Together: The Labor-Management Partnership at Kaiser Permanente. By Thomas A. Kochan, Adrienne E. Eaton, Robert B. McKersie and Paul S. Adler. Ithaca, NY, Cornell University Press, 2009, 258 pp, \$24.95/paperback.

The authors (KEMA henceforth) provide a case study of the first 10 years of the partnership between Kaiser Permanente, the nation’s largest non-profit health maintenance organization, and the coalition of 27 unions with which it bargains. Over the period covered by the study (1995–2005), Kaiser’s employment grew from about 55,000 to 90,000 workers, partly through expansion in existing centers and partly through the establishment of new medical care facilities. This sharp increase in the number of employees prompted both sides to consider a paradigm shift in the labor-management bargaining process. Three rounds of collective bargaining (1995, 2000, and 2005) used innovative negotiating and problem-solving processes to address topics normally outside of collective bargaining; notably, performance improvement and integration of new technologies into health care.

One such tool is known as interest-based negotiations (IBN). IBN starts

from the premise that focusing on the concerns and goals of the two sides develops options from which the parties can choose, rather than the traditional pattern of union demand–management response. Bargaining task groups were established for the major contract dimensions to brainstorm potential solutions, separated into local and national issues. Partnership work continued after the contract was signed; in a 2005 employee survey, Kaiser found that 39 percent of respondents agreed or strongly agreed that they were “personally involved in structures or activities that are part of the process.”

KEMA do not present the partnership as the sole or best answer to all labor-management problems, or to dealing with the cost and coverage issues central to the health-care debate. However, they conclude that the partnership has clearly been an improvement over the adversarial relations that prevailed between Kaiser and its unions prior to its 1995 start. The pace and extent of the improved relations have varied in the different collective bargaining and labor market environments across the country, with, as might be expected, the greatest progress being made in those localities with the highest degree of trust and lowest degree of suspicion at the outset.

Quantitative data on outcomes are limited, but the authors conclude

that “where the partnership was active, it had significant effects on reducing costs, improving workers’ views of their jobs and of Kaiser as a place to get health care, and, in at least one region where the data were available, improving clinical performance.” In a more qualitative sense, judging the success of the partnership is a “compared to what?” exercise. KEMA believe that it forestalled a further deterioration into more adversarial and counter-productive behaviors on the part of both Kaiser and its unions, but that it does not and cannot mean an end to conflict between them. Rather, the partnership provides a way to manage conflict and channel the energies of both parties in directions that improve efficiency and performance. The book is filled with many interesting sub-topics as well; for instance, the role played by the doctors in the partnership, compared with the management and support staff, which this review has not enough space to detail.

Healing Together is highly recommended to students of labor relations, health policy, and organizational behavior for its careful approach and many insights. □

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