

The Benefits of Labor-Management Partnerships

Labor-management partnerships are market-sensitive strategies that encourage employers and labor unions to develop mutually-beneficial values and practices. Through labor-management partnerships, historically adversarial workplace relationships are transformed into collaborative relationships. The 1199SEIU/League Labor Management Project reviewed published literature documenting the results of labor-management collaboration. Some twenty articles across six industries consistently showed that employers, employees, and unions all stand to reap substantial benefits from participating in labor-management partnerships. The findings below summarize health care industry studies.

Benefits to Employees and Unions

Increased Employee Engagement

- Maimonides' labor-management partnership integrated employees in the hiring of over 70 new managers and department directors from 1997 to 2007 (IARP, 2008).

Improved Employee Satisfaction

- Team members of the high-performing UBTs studied at Kaiser described an increased ability to see the connection between their jobs and the overall goals of the organization. Furthermore, as staff worked together to become high-performing teams, they developed feelings of team cohesion (Eaton et al, 2011).

Increased Access to Education and Training

- Career development training classes tripled from 2004 to 2006 at Montefiore (IARP, 2008)

Improved Safety and Work Environment

- Partnerships at San Rafael Medical Center led to zero work-related injuries in 2010 and only two in the first five months of 2011. Partnership also improved the work environment at San Rafael, as overhead pages reduced from 450 per month to 422 per year (Lazes et al, 2012).

Increased Employment Stability

- Mount Sinai's Environmental Services Department converted 61 part-time positions into 41 full-time positions as a result of an interest-based labor-management problem solving process. The remaining 20 part-time employees were used to fill other vacancies (IARP, 2008).

Increased Wages and Benefits

- The participants of WRTP, a labor-management training program, earned substantially more than the control group (24 percent higher), were more likely to find jobs that paid at least \$11 an hour, and were more likely to work in jobs that offered benefits and union membership (Maguire et al, 2010).

Expanded Union Influence

- From 2002 to 2007, 1199SEIU's PAC contributions rose 31 percentage points and the number of its union delegates tripled (from 23 to 98) at Maimonides (IARP, 2008).

Expanded Union Recruitment

- As a result of five years of joint work, 1199SEIU increased its membership throughout the North Shore – Long Island Jewish System by 1,680 members (IARP, 2008).

Improved Labor/Management Relations

- There were no grievances for over five years at Montefiore's Weiler Campus, where labor-management relations were previously contentious (IARP, 2008).

The Benefits of Labor-Management Partnerships (Cont.)

Benefits to Employers and Management

Increased Efficiency and Productivity

- Maimonides' Radiology Labor-Management Committee reduced emergency department patients' wait time for x-rays from 33.42 minutes to under 15 minutes (for 78% of patients) and under 30 minutes (for 22% of patients) (IARP, 2008).

Enhanced Quality of Care

- Response times (on several floors) and patient falls (hospital-wide) decreased by 50% from 1997 to 2007 at Maimonides Medical Center (IARP, 2008).

Improved Patient Satisfaction

- Montefiore's Weiler Campus' Press Ganey patient satisfaction scores rose 46% from 2003 to 2007, largely due to improvements made by a labor-management partnership in the Food and Nutrition Services Department (IARP, 2008).

Improved Staff Satisfaction and Retention

- From 2005 to 2008, RN satisfaction improved from the moderate- to the high-satisfaction rating at Mount Sinai. Furthermore, the 2008 RN turnover was 6.8 percent, which was a decrease from 9.9 percent in 2005. Lastly, Mount Sinai's RN agency use in 2009 was only 3.0 full-time equivalents (FTEs) for the entire hospital (reduced from 37.3 FTEs in 2005), which represents a significant cost savings (Porter, 2010).

Increased Profits and Productivity

- By reducing account receivables, Montefiore's call center increased its contribution to hospital revenues by 15% between 2003 to 2004; call center turnover also decreased from 19.4% in 2002 to 0% in 2004 (most centers' turnover rates are over 50%) (IARP, 2008).

Reduced Expenses

- Savings that resulted from joint work at the four hospitals studied by Lazes et al (2012) included: \$51,000 reduction in overtime wages; reduced staff turnover rate from 14 percent in 2008 to 3.9 percent in 2010; reduced cost per communication contact from \$7.62 in 2004 to \$4.06 in 2010; and reduced nursing staff turnover and traveling nurse hires.

Improved Labor/Management Relations

- Maimonides experienced a 71% reduction in grievances and arbitrations and a 54% reduction in disciplinary actions between 1994 and 2007 (IARP, 2008).

The Bottom Line

This extensive list of benefits to employees, unions, and employers clearly illustrates that labor-management partnerships generate mutually beneficial scenarios for all stakeholders involved. Labor-management partnerships are, therefore, worthwhile investments of unions' and employers' time and resources.

*For a list of reviewed studies or a copy of the full literature review, please contact
Samonne Montgomery, Research Analyst: Samonne.Montgomery@Labormanagementproject.org*