

The Power of Partnership

Saints Joachim & Anne Nursing and Rehabilitation Center

CASE STUDY: HOW LABOR–MANAGEMENT COLLABORATION FACILITATED SUPPLY COST CONTAINMENT THROUGH EMPLOYEE EMPOWERMENT

TRUST THE EXPERTS



Saints Joachim & Anne Nursing and Rehabilitation Center's Lean team and LMP Consultants joined by Steve Katz and Claude Ritman.

On a warm summer day in August 2014, the multidisciplinary Performance Improvement (PI) team from Saints Joachim & Anne Nursing and Rehabilitation Center — co-led by management and direct-care staff — stood in front of 52 people at the Pioneer Network's 14th Annual Conference in Kansas City, Missouri. Ingrid Blades (Certified Nursing Assistant), Ann Maureen Gooden (Certified Nursing Assistant), Abiola Wilson (Certified Nursing Assistant), Paula Noble (Assistant Director of Nursing) and Marilyn DeSouza (Human Resources Generalist) attended the nation's largest conference that focuses solely on culture change and person-centered living, for the purpose of guiding an educational session geared to increase participants' knowledge of Lean¹

¹ Lean is a quality-improvement methodology that focuses on eliminating waste (time, money and resources) and streamlining processes in order to bring the highest value to the customer.

Located in southwestern Brooklyn, Coney Island is well-known as a destination with amusement parks, seaside resorts, sandy beaches and family-friendly boardwalk attractions. Coney Island is also home to Brooklyn's only remaining Catholic nursing home. Saints Joachim & Anne Nursing and Rehabilitation Center is a not-for-profit, seven-floor, 200-bed facility situated along Coney Island's boardwalk.

principles and staff engagement. In their session, "Trust the Experts: Lean Management Principles in a Nursing Home Environment," the multidisciplinary team shared its experience and success using Lean tools to identify and reduce waste, increase efficiency and save money. The team also discussed its project's unexpected benefits, which include engaging all levels of staff as organizational change agents and developing new leaders of unit-based teams.

1199SEIU League/Labor Management Project (LMP) Consultant Francois-Edy Philippe summed up the success of the multidisciplinary team's workshop:

"To us, Pioneer was a big success because we were able to communicate to our audience that a professional degree is not required to engage your staff. In fact, it was demonstrated through our project that the CNAs were the ones to provide the solutions."

Diann Jeffers, also an LMP Consultant, witnessed the team facilitating its own workshop. She reflected:

“To be able to stand in front of a crowd and field questions from strangers is a skill. And when I think of Pioneer, I’m like, ‘wow, we did that.’ It was great!”

How did labor and management representatives from a Brooklyn nursing home come together to work on the same side of the fence? What was it about their engaging partnership that drove the team to educate others around the country about its successful joint labor-management venture?

AN INNOVATIVE APPROACH TO COST CONTAINMENT

One Fortuitous Conversation

The project, termed the “Lean Thinking” Performance Improvement (PI) project, was the result of a conversation

CareTech Group is a supply-chain management and logistics firm that focuses on nursing homes and long-term care, and represents more than 50,000 long-term care beds around the country.

between Saints Joachim & Anne’s Executive Director Claude Ritman and its CareTech Group representative, Steve Katz. CareTech Group had been in contract with Saints Joachim & Anne since December 2010 and, over time, helped the nursing home reduce the per-resident, per-day cost of a series of supplies that CareTech purchased on the facility’s behalf (e.g., medical-surgical supplies, nursing supplies, incontinence supplies, housekeeping supplies, certain paper and plastic materials and certain nutritional supplements). CareTech was able to attain such cost containment through price management, product substitutions (i.e., finding a similar product that’s less expensive but provides the same quality and outcome) and, probably most important, reductions in product usage.

At the close of 2012, Saints Joachim & Anne was looking for a way to reduce operating costs in the wake of cuts to reimbursement rates. Katz had been looking into Lean methodology over the years, and understood the core aim of the Lean approach: to optimize quality and reduce costs by eliminating waste. He said,

“From my perspective, it seems consistent with my development as a manager and professional. It seems to flow nicely out of culture change, and the whole notion of employee-directed work groups empowering the direct-care workers. It’s something that I see as a core change in mindset and culture for the entire industry: to make facilities relevant as our view of long-term care continues to evolve.”

One day, while discussing additional ways CareTech might be able to help the organization increase its revenues, Katz mentioned to Ritman that Lean methodologies were being used in acute-care facilities and he proposed that Ritman consider the approach. Ritman recalled,

“I thought, ‘why couldn’t we do something like that on the nursing-home side?’ We’re not as big as a hospital, but it’s still an opportunity for some cost containment.”

For Ritman, Katz’s suggestion to adopt Lean came at the right time, as he wanted to explore all opportunities for cost containment without making personnel cuts. Ritman stated,

“Cutting staff isn’t always the best way to go about achieving containment; you can probably come up with more on the OTPS (other than personnel services) side. I’m sure that supply management is something that doesn’t get looked at closely enough in all facilities. That is the low-hanging fruit: reducing the cost of supplies and waste.”

Ritman asked Katz to write a summary memo explaining Lean, the feasibility of doing a Lean project and the possible implications for cost containment. Intrigued by what Katz suggested, Ritman then asked how he would go about making it happen. Could the

Lean approach, which has been used successfully in hospital systems, also be successful in a nursing-home setting? Could it be used as an opportunity to empower frontline staff?

EVOLUTION: TURNING DIRECT-CARE STAFF INTO LEAN THINKERS

Reaching Out: From Possibility to Reality

On behalf of senior management at Saints Joachim & Anne and 1199SEIU, Katz approached the LMP because of its expertise in supporting and facilitating culture change and empowering direct-care workers with more authority, responsibility and decision-making power. The LMP’s approach is to bring frontline staff and managers together to collectively address improvements in the workplace.

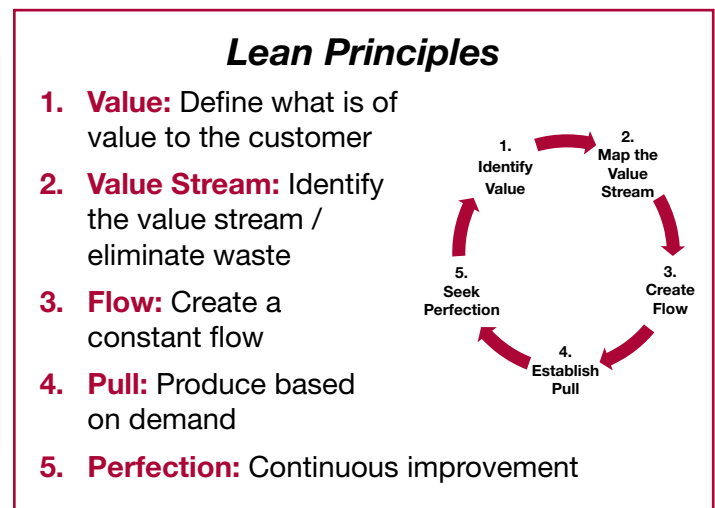
The LMP leadership identified two consultants from LMP’s staff to take on the project. They, in turn, met with leadership from Saints Joachim & Anne and 1199SEIU. It was agreed that the project would aim to improve the management of nursing supplies and inventory in order to add value and reduce costs, while maintaining a high quality of care for residents. Furthermore, leadership guaranteed that the opinions and suggestions of the direct-care staff would be taken into account in the decision-making process.

The 1199SEIU/League Labor Management Project offers a broad range of strategies to help labor and management — in hospitals, nursing homes, ambulatory sites and community-based healthcare organizations — work together to develop cost-effective and high-quality services, conduct research on job trends and industry changes, and promote communication and collaboration.

Skilling Up: A Two-Pronged Training Approach

The LMP staff and Katz worked together to develop an approach that would best help the Saints Joachim & Anne staff to form a self-facilitating, multidisciplinary team of two managers and eight CNAs, and to provide them with the basic principles of Lean. Over time, membership in this core group declined, due to time constraints and other challenges; however, four CNAs were able to maintain the commitment to weekly meetings. The work was divided into two phases. It was decided — because the Lean team would ultimately become a self-facilitating team — that during phase one, the LMP would provide a series of “on the spot” training sessions for the group. The LMP staff provided the team with coaching in team building, effective meeting facilitation, communications, conflict resolution and the basic principles of project management — all essential skills when engaging in collaborative work. DeSouza shared the team’s reaction to its initial training:

“When the project started, we didn’t know what to expect. So when Diann and Francois came in and started to impart their knowledge, we all thought that we were going to sit in the group, listen to what they had to say, and absorb what we absorbed and keep it moving. We didn’t expect to be such active participants, or be called upon to run meetings — that was a big shocker to us.”





The Lean team learns how to employ the fishbone diagram to identify many possible causes for waste of gloves and washcloths in the system.

In phase two of the project, Katz trained the team in Lean management and Lean analytical concepts. In just a few sessions, the Lean team learned and mastered essential tools of Lean management such as the fishbone diagram, the flow chart and the 80/20 rule. These tools helped team members analyze the root causes of problems and identify possible solutions. Philippe reflected on Katz’s approach to educating the team:

“I remember one thing that he did that was brilliant. When he was introducing some of the key components of Lean — the fishbone diagram, in particular, and the flow chart — he used the example of how we make coffee: how people end up with bad coffee or coffee that they like. And from there he took them through the whole process of flow-charting. And everyone was able to get into that. It was seamless.”

DeSouza observed,

“We started off with the fishbone diagram and the flow chart on a piece of paper on the wall. But now, when we’re having conversations, we’re actually doing it without physically charting it on the wall. It’s become how we think. We break it down. What is the cause? What is the effect? What are the different

factors that contribute? This is something that we do in our conversations on a continuous basis.”

With the new team meeting regularly and with Lean analytical concepts and thinking in place, the team was ready to start its project.

Getting Lean: A Performance Improvement (PI) Project

In March 2013, LMP Consultants Francois-Edy Philippe and Diann Jeffers began their work with the newly formed multidisciplinary team. The LMP engaged all the staff on the fifth and seventh floors in identifying areas of waste, examining par levels (the level of supplies a floor’s staff needs to keep on hand to meet its needs), and optimizing the use of supplies. The Lean team set a goal of reducing waste in nursing supplies by 3 percent in three months on both of these floors. With approval from Ritman, Katz provided the Lean team with financial data on supply use and expenses on a weekly basis.



Lean team members present what “waste” looks like as they display a surplus of boxes of gloves collected over a three-month period on the fifth and seventh floors.

According to Ritman,

“It’s important that they have that information and data, because you have to be transparent about cost. It’s important because then they’ll see that even small amounts of supply waste all add up after a period of time.”

The team implemented tracking tools to determine supply use by shift and analyzed all data to identify areas of waste and opportunities for cost containment. As an example, any gloves that staff carried in their pockets that were not used at the end of the day had to be discarded. The team’s awareness of the cost of such waste was elevated, and they then shared that information with the rest of the staff. The Lean team ultimately made the recommendation to reduce par levels for two items: washcloths and gloves.

The Power of Observation and Testing

In an attempt to lower usage very early in the project, Katz and the team made a decision that demonstrated the importance of product testing. According to Katz:

“The CNAs and I thought that perhaps the more expensive washcloths could help with supply waste. If they were better quality, perhaps we wouldn’t need as many. So we brought in a more expensive washcloth. The following Tuesday when I came in, Gooden, a CNA, came up to me right away and she said, ‘Mr. Katz, we’ve got to get this washcloth out of here. They’re terrible! They’re awful!’ And she brought me over to the sink and she ran water on it. And she showed me how quickly it fell apart — and it was more expensive than what they had been using. It was one of those moments that once again reinforced in my mind that Deming² was right. People do want to do a good job.”

² Dr. W. Edwards Deming is widely known for his system of thought he called the System of Profound Knowledge (SoPK). It is a theory of management that provides a framework of thought and action for any leader wishing to transform and create a thriving organization, with the aim for everybody to win. Deming believed that management can create the best system, know all about variation and knowledge, and still not have a successful organization if managers don’t understand people, and particularly what motivates workers to want to do a good job.

On the heels of the realization that more expensive does not always equate to better quality, the team tested new washcloth products to determine which were the most cost-effective. They ultimately picked one that was less expensive than the original one, and it is still in use today.

The Power of Data



The Lean team analyzes Saints Joachim & Anne financial data at a weekly team meeting.

The Lean team’s access to financial data helped drive home the lessons of the impact of waste on the organization. Katz shared the following story regarding the team’s examination of expense data for washcloths and gloves for the first six months of 2013:

“That was another really amazing financial meeting — when I distributed the financial data — and Ms. White (Certified Nursing Assistant) was looking at it with her reading glasses on. She lifted her head up a little bit and, looking over her reading glasses at her colleagues, she said, ‘Ladies, see how much we spent on these two items during the first six months of the year? With what we spent, we could buy a very good German car. There’s something wrong here.’ I knew they had bought in. And so I showed them the negative power of waste. I said, ‘Ladies, now that we’re all on the same page and I hope you trust me as much as I trust you — can I ask you to take all of the gloves out of your pockets that I know you have?’ And they all smiled and they did it.”

LEAN: A simple example

Think about the impact of how we use gloves:
 “Gloves In The Pocket”

- 10 sets of gloves on average**
- \$.015 per set**
- \$.15 per CNA on average**
- 50 CNAs per 24 hours, 365 days**
- $$.15 \times 50 \times 365 = \2737.50 of waste per year**

Katz also showed the Lean team the power of quantitative reasoning. He did a simple math lesson to demonstrate how the daily wasting of gloves (shown in the example above) translated into a large sum over time. Suddenly the team realized that there was supply waste walking out of the building unintentionally (i.e., in the pockets of staff).

“That was a very powerful moment for the entire group. They saw this was something that they could control,”

observed Katz. For one Lean team member CNA, who also served as a Union delegate, the illustration of supply waste was a revelation. Blades remarked,

“It just makes you more conscious of how you use your supplies. It makes you very, very conscious of what you use because you know the cost. We take into consideration that the resident comes first. We never compromise care with all we do. That is first and foremost.”

Labor–Management Collaboration

To ensure successful sponsorship of the joint labor and management work, the LMP created a steering committee that was comprised of the following key stakeholders: the executive director of Saints Joachim & Anne, the director of nursing, the support services director, the Union vice president, the Union organizers and the assistant director of nursing homes at the LMP. The steering committee

worked jointly to support the labor–management work and set the tone, from the very beginning, that labor and management were truly collaborating.

When asked why he chose to do this work in a labor–management context, Ritman replied,

“First of all, you’re only going to get things accomplished if you’re working together as a team. That’s the important part of any sort of initiative that you want to do, and you need to realize that you’re working with partners, and we’re all working toward a common goal — which is to provide excellent resident care to all those that we have to take care of, day in and day out.” He further stated, *“Another thing is having everyone be involved with the process, working as a team, having the buy-in from the top down. If the staff doesn’t see that it’s endorsed by the management of the facility, that they’re working closely with the LMP, if they don’t see all that intertwining in an effective way, then it’s all for naught.”*

While the steering committee worked collectively to endorse the plans for joint labor–management work, Ritman’s vision of teamwork also played out in the weekly Lean team meetings and the effective implementation of the Lean project. This ongoing collaborative work continued to drive home the lesson that labor and management can effectively solve problems together, work toward a common goal, and respect one another’s contributions. DeSouza said,

“We definitely speak to one another on a different level at this point because we all know that we are actually co-workers working together. It’s not management versus union; we’re all just co-workers.”

PRODUCING MEANINGFUL RESULTS

Employee Empowerment

One of the most notable outcomes of the Lean PI project was empowerment of the employees involved. The Lean team became self-facilitating and self-sustaining

because of the training they received from the LMP. CNAs emerged as natural leaders, educating their co-workers about the implications of waste through town hall-style sessions, engaging them in the testing of alternative products, and encouraging them to adhere to new practices. LMP consultant Diann Jeffers stated,



Katz leads the multidisciplinary team of labor and management in a session on the use of flow charts and Lean principles.

“This project gave them a voice. In real time, they could test products, and that energized the group and made them feel powerful. And it made people start to take notice: ‘Hey, we could change this if we don’t like it because we care about our residents.’ It shows that their time is being valued more and that somebody is listening to them. Ritman was totally on board.”

DeSouza confirmed this emergence of CNAs as leaders. In talking about the unexpected transformation of one of her Lean team members, she said,

“I think that out of this, natural leaders just sort of emerged. I think that it was surprising to everyone. When Maureen [Gooden] first started with the team, she wouldn’t say anything to anyone. But then, all of a sudden this person emerged who started to give such valuable information. And we said, ‘I thought you said you weren’t the type to participate in this type of thing.’ Gooden said, ‘This

is not for me, I don’t talk.’ But, then she just started to come out.”

Blades had this to say about the leadership role that she unwittingly assumed on the Lean team:

“After you’re in it and people are coming to you, asking you questions, what could you do? Now you make a decision whereby I’m in this and it can’t fail. That’s it. It can’t fail, regardless of anything.”

The unprecedented access to data provided by Ritman also furthered the empowerment of the entire Lean team. Katz distributed financial data at the team’s weekly meetings for gloves, washcloths, briefs, underpads and pull-ups. Katz noted,

“I believe this was a key decision that Claude [Ritman] made, because when you see the dollars and cents, you know that there’s a serious commitment. And also when you see the dollars and cents, you see what the issue is — what the potential opportunity is.”

The data that Ritman shared, coupled with data that the team itself collected, enabled members to make informed decisions and recommendations to further the goals of the Lean PI work. Blades observed,

“We had to do some tracking in order to see exactly what we needed. So we had a tracking form that we used to enter the data. We did that over a period of time so we could see exactly what supplies we were using. When we got the data, we presented it to management and said, ‘This is what we actually use; you need to cut the par level.’ And they cut it.”

Change in Organizational Culture

Another notable outcome of the Lean project was a marked change in a culture that previously had tolerated waste. Katz described the behaviors seen prior to the Lean PI project:

“The mindset of many of the staff members when they got ready to do their work was that they took

their carts into the supply room to get what they needed so they didn't have to walk back and forth. That's briefs, wipes, creams and lotions, and without even thinking, they stuck their hands into a box of gloves, took a whole bunch, and put them in their pockets. Unintentionally, when a CNA left the building at the end of the day, the CNA still had gloves in her pocket."

Although change in organizational culture can be very difficult to achieve and sustain, there is evidence that it's actually taking place at Saints Joachim & Anne. Blades shared examples of a significant shift in staff attitudes and understanding of the purpose of collecting unused supplies. She recalled,

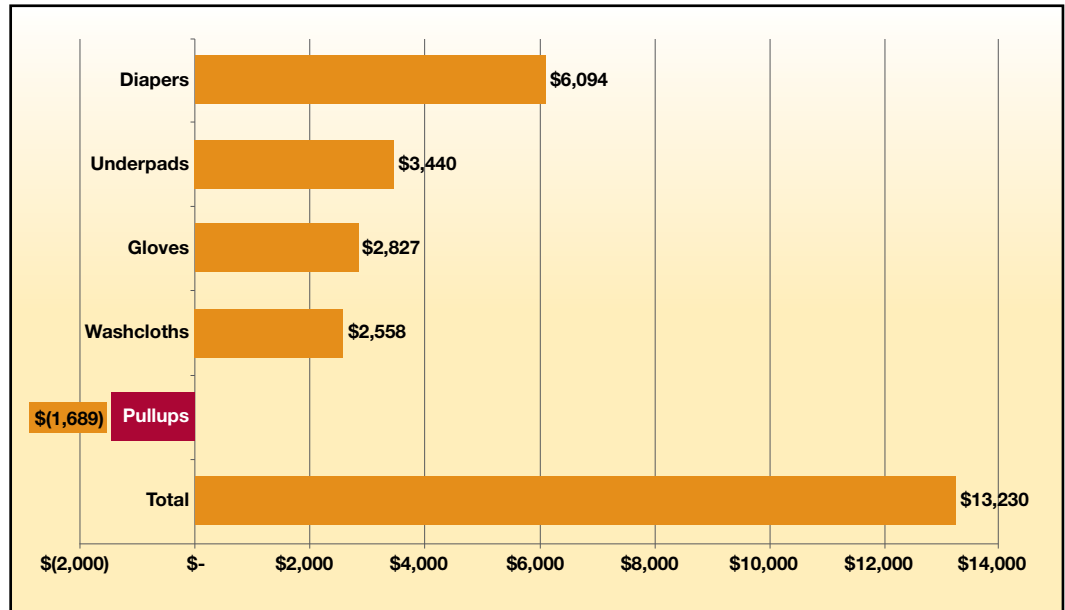
"One time someone came to me and told me there were two extra boxes of gloves that I could take. Those are the little stories that give me the encouragement to know that we are doing something."



Surplus of washcloths and boxes of gloves collected by Lean team members from fifth and seventh floors.

Containing Costs on Nursing Supply Items from January to May 2014

**PROJECTED*
SAVINGS
TO-DATE
\$26,000.00**



* Projected Savings: Jan. 1, 2014 to December 31, 2014

DeSouza echoed the transformation happening at the facility.

“It has changed significantly from the beginning to now,” she noted. She also said that new hires are exposed to Lean principles through their orientation, in an attempt to have them on board with the project from their first day.

“It’s been incorporated into the new hire orientation. The new people coming — it’s so easy right now to get them to come aboard because this is something they introduce on day one; just like you have to punch in, you have to wear your name tag, you have to wear your uniform and you have to think Lean.”

In sharing her view of the shift in the culture at Saints Joachim & Anne, Jeffers surmised,

“Culture is extremely difficult to change. I think to some extent the culture has changed because no longer does any Lean team member walk down the hall and be seen as just another worker. They are constantly told, ‘there are five packs of briefs somewhere that you need to pick up.’ That was not the conversation before. People saw the waste, but it was not addressed.”

Supply Cost Containment

At three separate town hall-style sessions in June 2014, the team presented the results of the Lean Thinking PI project to its colleagues at Saints Joachim & Anne. During each session, the team shared the principles of Lean supply management, outlined how they were implemented at the nursing home, and proudly reported that the initiative saved the organization 5 percent in supply costs — which surpassed the set goal of 3 percent. Compared with the first five months of 2013, the team at Saints Joachim & Anne achieved cost containment for supplies of more than \$13,000 during the first five months of 2014.

Another remarkable outcome of the project was the “halo effect.” While the team members tracked gloves and washcloths, Katz concurrently provided them with financial data on underpads, briefs and pull-ups. The data showed that the Lean approach taken with the gloves and washcloths seemed to have also affected the usage of briefs and underpads; there was a significant reduction in their use. Conversely, the team observed that there was an increase in the use of pull-ups. Therefore, the group of Lean thinkers proceeded to use its newly developed analytical skills to determine why pull-up usage increased. According to Katz,

“The framework that they were using, without realizing it, was a fishbone framework. They talked about whether they needed to in-service staff; whether they needed to look at the product — maybe the product wasn’t good or maybe there were manufacturing issues; whether they had more residents who needed pull-ups compared to incontinence briefs. They applied the fishbone framework without even thinking about it.”

Lean Thinking Sustainability

Labor and management continue to work together to improve supply management. The initiative will expand to the rest of the building in its next phase — the Lean team members will serve as Lean experts, providing education and guidance to other floors (possibly moving beyond the nursing department), and leading to greater understanding of Lean principles and the generation of even more cost containment. The team will also seek to expand the number of items monitored on the fifth and seventh floors, in the hope of producing even more cost containment. The current Lean team participants will further develop their skills in order to guide their peers in forming teams, will introduce them to Lean thinking and supply management, and provide them with the skills to undertake their own Lean process on their floors. The team is also seeking the continued engagement of the steering committee and ongoing education for staff.

Lastly, the use of incentives may be explored as the Lean work is extended throughout the building. The team is currently looking at how to define a process for incentivizing participation. Jeffers notes,

“A must for sustainability is incentives — the use of incentives is built into Lean supply management theory. How are we going to make sure that people stay focused and energized?”

LEAN THINKING DISSEMINATION: PIONEER NETWORK CONFERENCE

After a successful workshop at the Quality Care Community (QCC)³ Conference in winter 2013, Janice Dabney, Assistant Director of Nursing Homes at the LMP, took a leap and submitted a proposal to the Pioneer Network’s 14th Annual Conference that was scheduled to take place in August 2014. Once the proposal was accepted, the LMP consultants — Philippe and Jeffers — worked with the multidisciplinary team for six

months to develop their presentation skills. In talking about the copious encouragement she received from the consultants, Blades recalled,

“Francois and Diann kept saying ‘you can do this.’ They encouraged me to stand up and talk. I had never stood up and talked in front of the staff. I never had the confidence — with friends, I talk a lot — but to stand up and explain this process ...”

Expecting a mere 25 people to attend their workshop at the Pioneer Conference, the team was pleasantly surprised when more than twice that amount came to hear about its multidisciplinary approach to identifying and reducing waste, increasing efficiency and containing costs in its nursing home facility. And while the team guiding its own educational workshop was a thrilling accomplishment in itself, perhaps the most fulfilling moment came at the end as Philippe, Jeffers and Katz watched the team skillfully field and answer questions from the audience on its own. The role of the team as leaders in Lean thinking was solidified — particularly that of the CNAs.

LESSONS LEARNED: WHAT ARE THE IMPORTANT TAKEAWAYS?

Sharing the lessons learned from the entire process of a project that is successfully collaborative, while simultaneously empowering and engaging frontline staff, is only befitting.

Educate Staff

One of the big takeaways from the labor–management Lean Thinking PI project is the value of educating staff and of making timely data readily available. Katz believes,

“If a team is meeting and they don’t have up-to-date data, they are not going to be as compelled to act.”



LMP Consultants Jeffers (third from left) and Philippe (third from right) with Katz (back left) and Lean team at Pioneer Network’s 14th Annual Conference.

³ The Quality Care Community (QCC) is a partnership forged between the Association of Voluntary Nursing Homes of New York and 1199SEIU and committed to improving quality of life for residents and staff. The QCC, managed by the Labor Management Project, works to transform nursing homes into more homelike spaces where residents and staff alike have choice and control over their day-to-day activities.

Furthermore, a strong commitment is necessary from management and leadership, including providing time and resources to staff to accomplish the task. Ritman stated,

“You want to make sure that if you’re going to take this project on, you make the commitment and make sure that you release people, giving them the time that they need to be there to do it.”

Well-Designed Team Structure

Team structure is vital. The team should be comprised of people who believe in the project and are willing to see it through from beginning to end. Blades shared her thoughts on team membership:

“Get strong people. You have to have people who will buy in with a vision and stick it out, because it’s not easy. It’s hard. It’s a commitment. You have to believe and want to do it.”

Gooden added,

“If they want to be successful in the Lean supply management program, success is a journey, not a destination. So if you know you can’t finish it, don’t start it, because you have to complete the journey. You can’t stop somewhere; you have to go to the end.”

Teamwork

Ritman also believes that teamwork is essential for the success of this kind of work. He stated:

“The important thing is working as a team. That’s what I think really makes it work. And when people see that everybody’s working together on this — that they’re working toward the goal of excellent resident care — their best result is a resident that is really satisfied, and the best evidence of that is when a family member sends a complimentary letter talking about how great it is to go to our facility. That is the reward itself. That’s great for the staff, great for everyone who works for this business.”

Trust the Experts

Finally, and importantly, simply trust the experts — those staff who work directly with residents on the floors. According to Jeffers,

“Workers just need a voice; they need to be heard. They need to know management does value them as — first of all — a human being and as a worker. And they can be in charge of their own methods of production.”



**For more information
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