

Updates on Strike Votes and the Bargaining Environment

As strike votes continue rolling in, KP executives cling to their bargaining position of a lowball wage increase and two-tier - while the realities of the market, and public opinion, continue stacking up against KP's position.

Striking workers enjoy growing public support accompanied by disgust at excessive executive salaries. President Biden said of the John Deere strikers, "They have a right to strike. They have a right to demand higher wages." Kellogg's workers are on strike now, too, against a two-tier pay system.

On Monday, Modern Healthcare carried a story headlined, "Expect a permanent boost to healthcare wages, experts say." It described the results of a recent survey of hospitals and health systems administered by Kaufman, Hall & Associates, a leading healthcare management consulting firm. While those of us in operations didn't need to read this story to understand what we're facing, it does shed light on the widespread nature of the staffing crisis, going well beyond the short-term, and far deeper than just nursing staff.

Here are some of the key findings of the Kaufman Hall survey:

- Most respondents (92%) face challenges recruiting and retaining support staff in areas such as dietary and environmental services.
- Most (88%) have increased base salaries and more than half are offering signing bonuses (68%) or paying for more overtime hours (58%).
- Forty percent (40%) of respondents reported improving shift differentials to alleviate staffing challenges.
- An interviewee noted that the industry is likely experiencing a long-term, upward adjustment to wages.
- Kaufman Hall recommends focusing on mitigating staff shortages, promoting resources to ensure staff can operate at the top of their license, and eliminating waste and rework to enable more direct care time.

If the market dictates raises, what can we do to contain rising costs? There are other options, ones we've used to significantly bend the cost curve over the past two decades. It starts with working together instead of using faulty data to proclaim that one group's living standards are the problem. That hasn't worked in the past, and it isn't working now.

The Alliance is ready and willing to dig in immediately, and we've shared a proposal for a joint labor-management task force to jointly address competitiveness and affordability.

A key strategy is deploying staff at the top of their license - and we lag well behind our competitors here. Advanced Practice Providers can provide many types of care at a lower cost while increasing access - and we should apply that principle throughout the workforce to ensure that, as Kaufman Hall recommends, we are "ensur(ing) staff can operate at the top of their license."

One definition of insanity is doing the same thing over and over and expecting a different outcome. We've been on a destructive path for the last 18 months, with executives huddling alone and gaming out plans that turn out to have a tenuous connection to the point where

employees actually care for patients. “Our bosses are so disconnected, and we need to win to protect future generations,” said a Nabisco striker. That strikes a painfully familiar chord.

Especially in the pandemic environment, we cannot beat the competition if we spend all our energy fighting each other. As the worldwide pandemic grinds on in our facilities and our psyches, there are few second chances to get these huge changes right. If we don’t change course, we’ll be locked into years of labor disputes, like we were in the 1980s and 1990s, when KP’s competitiveness hit a low point.

Public support is reflected in massive media coverage: Here are just a few links, with brief excerpts, to a sampling of the media coverage people are reading around the country and the world. These are just a handful of the 100-plus stories we know of.

Washington Post: Strikes are sweeping the labor market as workers wield new leverage

“Marcial Reyes could have just quit his job. Frustrated with chronic understaffing at the Kaiser Permanente hospital where he works in Southern California, he knows he has options in a region desperate for nurses.

Instead, he voted to go on strike.

While Americans are leaving their jobs at staggering rates — a record 4.3 million quit in August alone — hundreds of thousands of workers with similar grievances about wages, benefits and quality of life are, like Reyes, choosing to dig in and fight.

In Fontana, Calif., Reyes is hopeful. As a covid-19 patient who spent a month in the same Kaiser hospital where he works, he has a unique perspective on pandemic-related staffing shortages.

“I think I got the best care that I could have gotten at Kaiser,” he said. “Now it’s time to pay back the nurses that took care of me” by striking for additional resources.

“My promise was, I’m going to get better fast,” he said. “I want to get back to work quick. I want to fight covid with the same people who fought covid for me. I want to care for our patients with them.”

Yet, a year later, he voted to strike. He says Kaiser’s planned two-tier wage and benefits proposal that would put new employees at the lower end would make it harder to hire nurses. He’s also worried the company will seek more cutbacks in the future.

<https://www.washingtonpost.com/business/2021/10/17/strikes-great-resignation/>

NPR: Kaiser Permanente workers In California And Oregon vote to authorize a strike

“A two-tier system is pretty draconian in and of itself. Because it starts off paying workers so substantially less than current employees, it creates division. So if you have an employee who is one or two years in and the two tiers kicks in, that new employee two years later is making 26% to 39% less than that other employee. And at one point, that workforce will be divided between the first tier and the second tier. So what it creates then is basically a second-class set of workers.” - Jane Carter, Labor Economist at UNAC/UHCP

<https://www.npr.org/2021/10/14/1045904239/kaiser-permanente-workers-in-california-and-oregon-vote-to-authorize-a-strike>

NPR: 'Striketober' is here, with workers increasingly vocal about what they want

“Alaa Abou-Arab is an occupational therapist with Kaiser in Los Angeles. He's been working with COVID patients in the ICU, helping them regain the ability to do basic things like go to the bathroom. For him, the threatened strike at Kaiser is all about solidarity. A two-tier system would mean two classes of workers. He'd be working alongside someone else making a lot less money.

“Somebody who's doing the exact same thing that I'm doing, who's got the same amount of training that I have, who has probably the same amount of student loans that I have.” - Alaa Abou-Arab, UNAC/UHCP Member

<https://www.npr.org/2021/10/14/1046140341/striketober-is-here-with-workers-increasingly-vocal-about-what-they-want>

CNN: Labor flexes its muscle as leverage tips from employers to workers

“One of the main issues running through many of these strikes, or looming strikes, is workers' anger.

"My nurses and health care professionals are angry," said Elizabeth Hawkins, the negotiator for a union of 32,000 nurses which could soon be striking 14 hospitals and hundreds of clinics in Southern California and Hawaii run by health care giant Kaiser Permanente.

<https://edition.cnn.com/2021/10/16/economy/workers-strike-john-deere-iatse-kellogg/index.html>

Wall Street Journal: Unions Push Companies as Workers Stay Scarce

“Michelle Back worked throughout the pandemic at a pharmacy for Kaiser Permanente in California and often left her young, autistic son at home. She said she is committed to pushing back against what she sees as insufficient proposals for wage increases and benefits in contract negotiations by Kaiser.

“We were healthcare heroes just months ago,” said Ms. Back, who is representing pharmacy workers in negotiations and for decades has served as a liaison between employees and management. When given the chance to vote to authorize a strike later this month, she said, she will vote yes.”

<https://www.wsj.com/articles/from-film-sets-to-manufacturing-plants-unions-push-companies-as-workers-stay-scarce-11634488473>

Reuters: Tight U.S. job market triggers strikes for more pay

“More than 28,000 healthcare workers at 13 Southern California Kaiser Permanente hospitals and hundreds of medical centers voted overwhelmingly earlier this month to authorize a strike. They want more pay and higher levels of staffing to reduce burnout worsened by the pandemic.”

<https://www.reuters.com/world/us/enoughs-enough-tight-us-job-market-triggers-strikes-more-pay-2021-10-18/>

Bloomberg Law: Kaiser Permanente Workers Rebel Against Two-Tier Wage System

More than 30,000 Kaiser Permanente workers on the brink of a strike are motivated by a grievance that's factored into much of the recent labor unrest nationwide—a proposed two-tier wage system that would pay starting workers less than their more experienced colleagues.

“It comes to that breaking point where you don't have anything else,” said Nikki Avey, a registered nurse for Kaiser in San Diego and an officer for the union. “The proposals that Kaiser was bringing forth were just really disappointing. And I think the members were fired up; they were just tired of it.”

[Kaiser Permanente Workers Rebel Against Two-Tier Wage System \(bloomberglaw.com\)](https://www.bloomberglaw.com)

Washington Post: Powering the picket line: Workers are turning to tech in their labor battles

“It's very empowering ... and a very different world today compared to 10 years ago,” said Kim Mullen, a Kaiser Permanente registered nurse and member of the United Nurses Associations of California/Union of Health Care Professionals, referring to the use of technology in union organizing. Workers at Kaiser Permanente [are considering a strike after failed contract negotiations](#).

<https://www.washingtonpost.com/technology/2021/10/18/worker-strikes-unions-tech-tools-apps-hollywood-kaiser-kelloggs/>

Labor Notes: Kaiser's Outrageous Two-Tier Wage Proposal May Provoke a Massive Strike

“Two-tier finds a crack and creates a canyon.” - Jane Carter, labor economist, UNAC/UHCP
“The largest, longest-lasting, most-comprehensive labor-management partnership in the United States is in peril.”

<https://labornotes.org/2021/10/kaisers-outrageous-two-tier-wage-proposal-may-provoke-massive-strike>