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**MANAGING DISABILITY CLAIMS  
AND RETIREMENTS:  
A PRESCRIPTION FOR THE  
CALIFORNIA HIGHWAY PATROL**

AN INDEPENDENT STUDY PROJECT

by

**STEVEN C. WILKINS  
CALIFORNIA HIGHWAY PATROL**

Command College Class IX  
Commission on Peace Officer Standards and Training

SACRAMENTO, CALIFORNIA

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**This Command College Independent Study Project is a FUTURES study of a particular emerging issue in law enforcement. Its purpose is NOT to predict the future, but rather to project a number of possible scenarios for strategic planning consideration.**

**Defining the future differs from analyzing the past because the future has not yet happened. In this project, useful alternatives have been formulated systematically so that the planner can respond to a range of possible future environments.**

**Managing the future means influencing the future--creating it, constraining it, adapting to it. A futures study points the way.**

**The views and conclusions expressed in this Command College project are those of the author and are not necessarily those of the Commission on Peace Officer Standards and Training (POST).**

## **PART ONE**

### **CHARTING THE FUTURE**

**How will California Highway Patrol executives and administrators effectively manage disability claims and reduce disability retirements by the year 2000?**

## **PART TWO**

### **STRATEGIC MANAGEMENT**

**The development and implementation of a strategic plan for effective claims management to assist the California Highway Patrol in effectively reducing injury and disability claims and resulting disability retirements.**

## **PART THREE**

### **TRANSITION MANAGEMENT**

**The development of a plan for successfully managing the transition from a less than satisfactory state of controlling the increasing trend of injury and disability claims to one of effective claims administration and management.**

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**EXECUTIVE SUMMARY**

**PART ONE - CHARTING THE FUTURE**

**BACKGROUND:** The California Highway Patrol has approximately 5,770 uniformed members assigned to accomplish its mission of the management and regulation of traffic to achieve safe, lawful and efficient use of the highway transportation system. Because of the nature of the Patrol's mission and working environment, its officers face the constant threat of injury ranging from the not so obvious to serious physical trauma, including death. In 1978, the Highway Patrol retired 56 of its officers for disability reasons, including 40 attributable to alleged back or cardiovascular problems. In 1982, the trend reached an all time high when 167 disability retirements were recorded with 120 of them related to claims of back and cardiovascular problems. The outlook for the future is indeed grim if an appropriate intervention is not identified and implemented.

**HOW WILL CALIFORNIA HIGHWAY PATROL EXECUTIVES AND ADMINISTRATORS EFFECTIVELY MANAGE DISABILITY CLAIMS BY THE YEAR 2000?** A literature search, interviews and futures research methodologies were employed to study this issue. A Nominal Group Technique (NGT) panel, consisting of members of a select task force and external representatives, was constituted to study this issue. Five trends were forecasted: Staffing and involvement of the Department's Disability and Retirement Unit; Management training and development; State Compensation Insurance Fund's ability to manage workload; disability claims; and employee attitudes. High probability events identified were: changes in law to permit management of cases, disability fraud investigation program, incentives for full-term service retirement, Department adjusts own cases, and commanders manage claims. Three possible future scenarios were created. This information served as the basis for the development of policies to attain the desired future state.

**POLICIES:** After gathering survey data on the issue and the related key trends and critical events, three policies were determined to be both economically and politically feasible:

1. Agency assures comprehensive training for supervisors and managers relative to administering and managing disability and injury claims.
2. Agency manages disability and injury claims.
3. Agency establishes comprehensive training for supervisors and managers relative to administering and managing disability and injury claims.

## **PART TWO - STRATEGIC MANAGEMENT**

**STRATEGIC PLAN:** The strategic plan examines the management of injury and disability claims within the context the California Highway Patrol operates. A comprehensive training program for managers and supervisors, a more positive work environment, and effectively managing disability and injury claims were policy strategies selected for implementation.

**PLAN IMPLEMENTATION:** The assumptions held by identified stakeholders are examined to determine their support or opposition of the selected policies. The author recommends a prescription of constructive negotiations for implementing the policies.

## **PART THREE - TRANSITION MANAGEMENT**

The use of a project manager coupled with a "diagonal slice" of organizational representatives is recommended as the structure for transition management. Four keys to successful transition include program evaluation, team building, communication and feedback.

The study concludes that Highway Patrol managers must be accountable for all activities that fall under them, including related personnel issues.

# ACKNOWLEDGMENTS

This paper represents only a small portion of the personal growth I have realized as a member of Class IX of the POST Command College. I owe a debt of gratitude to the many fine instructors who challenged me to think outside "the dots" and to the POST consultants who provided capable assistance along the way. My classmates also contributed to my education through discussion and debate by sharing their unique insights and experience. Their friendship has proven to be the nectar of what the Command College experience is about.

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# TABLE OF CONTENTS

| <u>SECTION</u>  | <u>PAGE</u> |
|---|-------------|
| <i>Parts Description</i> .....                                    | <i>i</i>    |
| <i>Executive Summary</i> .....                                    | <i>ii</i>   |
| <i>Abstract</i> .....   | <i>iv</i>   |
| <i>Acknowledgments</i> .....                                      | <i>vi</i>   |
| <i>Tables</i> .....   | <i>x</i>    |
| <i>Charts</i> .....   | <i>xi</i>   |
| <i>Illustrations</i> .....  | <i>xii</i>  |
| <br>  |             |
| <b>INTRODUCTION</b> .....   | <b>1</b>    |
| <br>  |             |
| Background .....  | 1           |
| Purpose and Focus of the Study .....                              | 5           |
| The Study Process .....   | 6           |
| Literature Review .....   | 7           |
| History .....   | 12          |
| Interviews .....  | 13          |
| <br>  |             |
| <b>PART ONE - CHARTING THE FUTURE</b> .....                       | <b>15</b>   |
| <br>  |             |
| <b>Forecasting Methodology</b> .....                              | <b>17</b>   |
| Information Scan .....  | 17          |
| Information Application .....                                     | 18          |
| Futures Scenarios .....   | 19          |
| Futures Research .....  | 19          |
| <b>Selection of Trends and Events</b> .....                       | <b>21</b>   |
| Trend Selection .....   | 21          |
| Targeted Trends .....   | 26          |
| Trend 1 - Staffing & Involvement of Disability & Retirement ..... | 26          |
| Trend 2 - Management Training & Development .....                 | 27          |
| Trend 3 - SCIF's Ability to Manage Workload .....                 | 29          |

|   |    |
|---|----|
| <b>Trend 4 - Disability Claims</b> .....  | 30 |
| <b>Trend 5 - Employee Attitudes</b> .....   | 32 |
| Event Selection .....   | 33 |
| Targeted Events .....   | 35 |
| <b>Event 1 - Changes In Law Improve Management of Cases</b> .....                           | 35 |
| <b>Event 2 - Disability Fraud Investigation Program</b> .....                               | 36 |
| <b>Event 3 - Incentives for Full-Term Service Retirements</b> .....                         | 37 |
| <b>Event 4 - Department Adjusts Own Cases</b> .....   | 38 |
| <b>Event 5 - Commanders Manage Claims</b> .....   | 38 |
| Cross-Impact Analysis and Evaluation .....  | 39 |
| Actor Events .....  | 41 |
| Reactor Trends and Events .....   | 41 |
| <b>Futures Scenarios</b> .....  | 43 |
| Exploratory Mode Scenario .....   | 43 |
| Normative Mode Scenario .....   | 44 |
| Hypothetical Mode Scenario .....  | 46 |
| <br><b>PART TWO - STRATEGIC MANAGEMENT, MANAGING</b>  |    |
| <b>DISABILITY RETIREMENTS: TIMELY INTERVENTION</b> .....                                    | 48 |
| <br>Methodology: Strategic Planning.....  | 49 |
| Weakness, Opportunities, Threats, Strengths Underlying<br>Planning (Wots-Up) Analysis ..... | 50 |
| The Environment .....   | 50 |
| Trends - Opportunities and Threats .....  | 53 |
| Events - Opportunities and Threats .....  | 57 |
| Internal Capability Analysis .....  | 59 |
| <b>Strategic Assumption Surfacing Technique (S.A.S.T.)</b> .....                            | 62 |
| Strategic Assumption Surfacing Technique Plot .....   | 67 |
| <b>Mission</b> .....  | 70 |
| <b>Modified Policy Delphi</b> .....   | 71 |
| <b>Alternative Selection</b> .....  | 76 |
| <b>Implementation Plan</b> .....  | 77 |
| Stakeholder Negotiation .....   | 79 |

|   |            |
|---|------------|
| <b>PART THREE - TRANSITION MANAGEMENT .....</b>       | <b>86</b>  |
| <b>Commitment Planning .....</b>                      | <b>86</b>  |
| Critical Mass Analysis .....                          | 87         |
| Management Structure .....                            | 95         |
| Responsibility Charting .....                         | 96         |
| Team Building .....                                   | 96         |
| Communication and Feedback .....                      | 98         |
| Program Evaluation .....                              | 98         |
| Conclusions and Recommendations .....                 | 99         |
| Implications .....                                    | 101        |
| <br><b>APPENDICES</b>                                 |            |
| Appendix A State Traffic Officer Task Statement ..... | 104        |
| Appendix B Futures Wheel .....                        | 105        |
| Appendix C Trends List and Screening Chart .....      | 113        |
| Appendix D Events List .....                          | 116        |
| Appendix E Capability Analysis - Part 1 .....         | 118        |
| Appendix F Capability Analysis - Part 2 .....         | 119        |
| Appendix G Stakeholders .....                         | 120        |
| Appendix H Subcommittee Report Recommendations .....  | 121        |
| Appendix I Policy Rating Delphi Sheet .....           | 129        |
| <br><b>ENDNOTES .....</b>                             | <b>131</b> |
| <br><b>BIBLIOGRAPHY .....</b>                         | <b>133</b> |
| <br><b>INTERVIEWS .....</b>                           | <b>134</b> |

# TABLES

- Table 1      Trend Evaluation
- Table 2      Event Evaluation
- Table 3      Cross Impact Analysis Matrix

# CHARTS

- Chart I Staffing & Involvement of Disability & Retirement
- Chart II Management Training & Development
- Chart III SCIF's Ability to Manage Workload
- Chart IV Disability
- Chart V Employee Attitudes
- Chart VI Changes in Law Improve Management of Cases
- Chart VII Disability Fraud Investigation Program
- Chart VIII Incentives for Full-Term Service Retirement
- Chart IX Department Adjusts Own Cases
- Chart X Commanders Manage Claims

# ILLUSTRATIONS

- Figure 1 Strategic Assumption Surfacing Technique Plot
- Figure 2 Planning System Analysis
- Figure 3 Commitment Analysis
- Figure 4 Responsibility Chart

# INTRODUCTION

## BACKGROUND

Reform of the multibillion dollar California Workers' Compensation system has presented an incredible dilemma for the Legislature and affected interest groups over the past decade. Attempts to modify the system have played into the very heart of special interest politics. Among the interest groups with a stake in any effort to reform workers' compensation are as follows: employers, insurance carriers, labor unions and lawyers and physicians who specialize in workers' compensation cases. Recent efforts to modify the system required the creation of alliances among groups to either protect or advance their interest.<sup>1</sup>

The 1989 landmark California legislation intended to overhaul the system provides for increased benefits, restrictions on the use of medical experts to dispute claims, a requirement that workers will not be able to file an injury claim without informing their employers first, and workers alleging injury will be required to prove that at least 10 percent of their problem was the result of actual events that occurred on the job. California Assemblyman Burt Margolin, who guided the reform measure through 18 months of negotiations, commented he expects, "another major rewrite of the system to occur in three years after current increases are in place and once everyone has had a chance to see how the initial reforms are working."<sup>2</sup>

The impact of this legislation on the administration and management of disability claims by law enforcement agencies in California remains to be seen. For the California Highway Patrol (CHP) the issue will remain: how will we effectively manage disability claims? This is not a new issue for the Patrol. The CHP has devoted considerable time and energy to studying the issue of disability claims and retirements arising from work-related incidents involving the uniformed members of the Department. In mid-1979, the department initiated a physical fitness standards program for incumbent officers. The program was undertaken in an effort to combat an increasing number of disability retirements involving cardiovascular, stress related and back injury claims. In 1978, there were 56 disability retirements with 40 of those attributable to alleged back or cardiovascular problems. In 1982, the trend reached an all time high when 167 disability retirements were recorded with 120 of them related to claims of back and cardiovascular problems.

A study by the Department with the assistance of the State Personnel Board and the University of California at Davis led to the adoption of an initial set of physical performance standards for incumbent officers. Utilizing the findings of this study and results of the Physical Maintenance Project which validated the findings, the Highway Patrol instituted the Physical Performance Program (PPP). This Program uses tests based on job related tasks to determine if the individual officer can meet the minimum work standard.<sup>3</sup>

Since 1983, the number of uniformed employees failing to pass the PPP test has decreased from 186 to approximately 100 in 1987. Likewise, the number of employees passing the test rose from 4,174 in 1983 to 5,418 in 1983. Injuries associated with the program went from 0.3 per employee to 0.16 per employee.

In spite of the benefits being derived from the PPP, the Highway Patrol continues to experience an increasing number of disability claims and retirements. In terms of dollars, the cost for maintaining the Workers' Compensation System has increased almost 60 percent over the past five years. In 1984, the cost for workers' compensation was about \$12.1 million, and in 1988 the cost escalated to over \$20.6 million. These funds pay for workers' compensation payments, service charges to the State Compensation Insurance Fund, medical payments, job rehabilitation and death benefits. Unfortunately, as the cost to maintain the system has dramatically increased, the CHP's budget has failed to keep pace. Presently, the Department's budget to cover workers' compensation costs is \$13.8 million. The remaining costs have to be absorbed at the expense of other departmental programs.

Not only have the costs for workers' compensation escalated over the past five years, but the number of officers receiving disability retirements has also gone up. In 1988, the number of officers obtaining disability retirements jumped to 140 from an average of 113 per year for the prior four years. Out of the 140 retirements, 38 percent were officers under 40 years old. This represented an 11 percent increase over the 1987 figures and a 14.5 percent increase compared to the past four year average of uniformed employees under 40 years old retiring due to disability.

Management of disability and injury claims by Highway Patrol administrators and supervisors appears to be the major problem in dealing with the issue. The CHP does not have a formalized training program to prepare newly appointed managers and supervisors for the challenge of administering the specifics of the Workers' Compensation Program. Consequently, both the newly appointed and incumbent managers and supervisors are hesitant to assert their authority in managing claims.

Because this hesitancy appears so widespread in the Highway Patrol, it points to an acceptance of an attitude of not having management authority over claims, lack of understanding regarding the process, and the failure to see the absence of claims management as being an organizational priority.

An interesting social phenomenon at play in managing workers' compensation cases is the role of the physician. Our society has placed physicians on a pedestal, training them "God-like," and rarely questioning their assessment and opinions. The acceptance of the physicians assessment in every case as authority denies the administrator the opportunity to manage the claim. The role of the manager is to make the determine of the course of action to be pursued. Certainly, the physician's assessment must be considered, but along with the other factors affecting the case.

An issue which occasionally clouds the management of disability cases is the matter of disciplinary action(s). One tactic employed by sworn personnel facing disciplinary action is to file a workers' compensation claim alleging stress. Typically, the employee will consult a physician outlining his symptoms and what precipitated the onset or the injury. This tactic frequently results in the physician prescribing time off and no employee-employer contact. Management of cases involving both disciplinary and disability claims requires an understanding of and appreciation for both processes. The key is to keep disciplinary cases and disability claims separate and manage them accordingly.

A trend that appears to be developing is the request for reinstatement by individuals who have retired due to a disability. The data is insufficient to conclusively establish a trend. However, several anecdotal cases point to situations in which

individuals were mandatorily reinstated from absences of three years or more only to seek a second disability retirement after less than a year. This suggests a blatant manipulation of the system and warrants investigation.

Another concern is that of employees who qualify for a service retirement seeking a disability retirement. A disability retirement is attractive because of the benefits it offers above and beyond a service-related retirement. The question becomes, if an employee qualifies for a disability retirement should he be denied the benefit because he qualifies for a corresponding service retirement? The fact is that under the provisions of existing law the employee is entitled to a disability retirement. Consequently, it is only a sound financial decision on the part of the employee to seek that for which he is entitled.

The realization that disability claims and related costs had steadily increased over the past five years was cause for concern by Highway Patrol management. Since the Department did not have a formal strategy or plan for effectively dealing with the issue of disability claims and retirements, the first step in establishing a strategic plan was to commission this study. The second step was the constitution of a task force to address the topic and serve as the Nominal Group for the study.

## **PURPOSE AND FOCUS OF THE STUDY**

This study will address and recommend how executives and administrators of the California Highway Patrol (CHP) might effectively manage disability claims and retirements. The intended product of the study will be a strategic plan including

recommended policies and programs to manage the issue of disability claims and retirements. A transition plan will be developed to guide the implementation of the strategic plan and recommendations.

The transition plan will be limited in scope and serve as the basis for the many plans and steps that will be ultimately identified through the responsibility charting process. For example, if training is a recommended policy, considerable effort will be required to plan the training program. A training needs assessment must be conducted. Training objectives must be identified. A program to address the needs and objectives must be developed and necessary resources allocated.

The focus of the study will be limited to the CHP because of the Patrol's uniqueness as a decentralized statewide law enforcement agency and because of the administrative apparatus it must contend with in State government. However, the findings and recommendations should also benefit local law enforcement agencies contending with the issue of managing disability claims. It should be recognized that the scope of this study is necessarily limited due, in part, to the methodology employed and because of consideration for length.

## **THE STUDY PROCESS**

The process to be employed in the conduct of this study will involve the use of techniques acquired from study and training while attending the California Commission on Peace Officers Standards and Training Command College. This will

be a futures study addressing the emerging issue of disability claims management and how law enforcement executives and administrators might more effectively manage them by the year 2000. The research will involve three distinct stages or parts.

Part one will look at the future through a series of forecasting methodologies. This will include a scanning process to identify issues and sub-issues and the development of a futures wheel. Relevant literature will be reviewed and interviews of individuals involved in the field of workers' compensation will be conducted. A Nominal Group Technique (NGT) panel will be utilized to identify trends and events likely to impact the issue. Three scenarios or word pictures of the future will be created using the data developed from the NGT process.

Part two titled, "Managing Disability Claims: Timely Intervention," will involve strategic management. A normative scenario will serve as the setting for the strategic planning and decision making process. Desirable and feasible policy will be selected and examined in the context of the scenario and the desired end-state or outcome.

Part three will contain a recommended transition management plan that will lead the California Highway Patrol from the present to the desired future state.

## **LITERATURE REVIEW**

The existing literature is somewhat shallow as it relates to managing disability claims and retirements. It is not surprising to note that there are no sources in the literature that directly relate to the California Highway Patrol. The literature that does

exist views the issue as problematical. Most writers on this topic recommend systemic change for the workers' compensation system as it relates to public safety disability pensions.

Fogelson noted that, the most important reason for the increase in applications for disability pensions is they are generally larger than service pensions. Examples provided indicate that if a policeman takes a service related pension, his widow is entitled to half his allowance; if he is given a disability retirement, his widow is entitled to three-quarters. Another provision which makes disability retirement attractive is the exemption from federal income tax. Many officers who have applied for disability retirement have probably been influenced by the liberal definition of disability that has gained widespread acceptance. The cumulative impact on the various agencies across the country including the California Highway Patrol has been the increasing rates of the pension payroll to the active payroll. In most cities, fire and police payrolls will go up as fast as active payrolls in the years ahead. In some cases the beneficiaries will outnumber officers.<sup>4</sup>

The Auditor General of California reported in 1984 that the Public Employees' Retirement System (PERS) is paying excessive disability benefits to members whose earned income, Social Security disability benefits, and medical conditions disqualify them from receiving all or part of their benefits. PERS was criticized for not having an effective review program to identify members who no longer qualify for ordinary or industrial disability benefits, and it conducts few reviews of its members' cases. PERS may be paying disability benefits to members who do not qualify for the benefits.<sup>5</sup>

Gary R. Johnson (1986) in his study titled *Potential Futures of the Public Employees' Retirement System* for the California Peace Officers Standards and Training Command College identified disability retirements in the public sector as an emerging problem and unique to public safety employees. "Over the years, disability retirements have moved from those that are obvious to those which now must be more subjectively evaluated." Johnson noted that the trend for dollar costs for the state safety and CHP classifications industrial disability retirements increased from 26.3 percent of the total for those classifications in 1974 to 48.2 percent in 1984.<sup>6</sup> Highway Patrol figures indicate this trend appears to be continuing today.

Karel Swanson, Chief of Police Walnut Creek, in an unpublished monograph *Success Without Promotion* defined "burnout" as the phenomenon experienced by workers when they lose interest in their jobs. He finds that "burnout" is rarely as predictable or as devastating to an individual as it is to those in police service. Swanson recognizes that work has changed from something a person does to survive to a manifestation of individual identity and an indication of value and self-worth.<sup>7</sup>

The "State Traffic Officer Task Statement" (Appendix A) contains a list of 19 tasks considered to be the minimum physical performance standards for an officer. This information is provided a physician when assessing the officer's capacity to perform the tasks required of the position. The inability of an officer to perform any of the 19 tasks may result in the employee being found disabled for continued employment.<sup>8</sup>

A disability occurs when an injured employee cannot perform his or her usual work. A disability is considered permanent after the employee has reached maximum improvement, or his or her condition has been stationary for a reasonable period of time, as may be determined by the Appeals Board or a referee.<sup>9</sup>

A disability claim process is initiated when the injured employee reports his or her injury to his or her supervisor. If medical treatment is required, the employee should ask the supervisor where he or she should obtain the treatment. It is the employer's duty to provide the injured employee with immediate and adequate medical attention. When the injured employee is sent for medical attention by the employer, he or she is receiving the first benefit under the Workers' Compensation law. Most compensation claims are processed and adjusted by the injured employee and the employer or its insurance carrier without the assistance of an attorney, the Division of Industrial Accidents or the Appeals Board. However, the trend in law enforcement and particularly the Highway Patrol is for the injured employee to immediately seek the counsel of an attorney specializing in Workers' Compensation claims.

PERS administers disability and service connected retirements for the employees of the Highway Patrol. Service retirement is the normal retirement awarded upon completion of a minimum number of years of service and attainment of a minimum age qualifying the employee for retirement. The benefits of a service retirement are taxable according to prevailing law and Internal Revenue Service (IRS) rules.

An industrial disability retirement is available to uniformed employees of the CHP who sustain a permanent disability resulting from an injury arising out of the course and scope of the member's employment, and the injury prevents the employee from returning to duty. Existing law contains the presumption that for peace officers the following are considered to be job related: hernia, heart trouble, tuberculosis, and pneumonia. An industrial injury may be cumulative, "occurring as repetitive, mentally or physically traumatic or stressful activities extending over a period of time, the combined effect of which causes a disability and/or need for medical treatment."<sup>10</sup> Industrial disability retirement benefits are not taxable under current IRS rules. Entitlements include an allowance of one-half of the highest average monthly salary during any three consecutive years of employment. If the number of years of service would qualify the uniformed employee for more than 50 percent on a service retirement, he or she will receive the disability retirement tax free plus the amount over 50 percent based on applicable IRS rules.

California Labor Code Section 4800 provides that uniformed employees of the Highway Patrol injured as a result of their employment shall be entitled to their full salary in lieu of temporary or permanent disability compensation for a period not exceeding one year. The benefits of Labor Code Section 4800 are not subject to current income tax provisions.

## HISTORY

The concept of Workers' Compensation was a result of increasing industrialization at the turn of the century and a public demand to provide employees with the right to recovery of damages. Initially, the recovery of damages rested on the determination of the principle of negligence.

Negligence is defined as follows:

"The omission to do something which a reasonable man, guided by those ordinary considerations which ordinarily regulate human affairs, would do, or the doing of something which a reasonable and prudent man would not do."<sup>11</sup>

In 1911, the California legislature passed the "Rosenberry Act" which in effect established a voluntary "no fault" insurance system. In 1913, participation by employers in the Workers' Compensation system became compulsory. In 1917, the legislature substantially revised the law providing that liability for compensation was imposed on employers "without regard to negligence."

The Constitution provides that the system "shall accomplish substantial justice in all cases expeditiously, inexpensively, and without encumbrance of any character." The essence of the Workers' Compensation system is to ensure adequate provisions for the comfort, health and safety, and general welfare of any and all workers and those dependent upon them irrespective of the fault of any party.

The provisions of the Workers' Compensation system were intended by the legislature to be liberally interpreted in favor of the injured employee. This was reaffirmed in Jones v. W.C.A.B. (1968), 33 Cal.Comp. Cases 221.<sup>12</sup>

## INTERVIEWS

Two interviews with attorneys experienced in the field of workers' compensation cases were conducted. The interviews were structured for the purpose of developing information relative to the issue area along with possible recommendations. Both interviewees were provided with background information relative to the issue and the futures orientation of the project. They were each asked to identify or project trends and events which either have impacted the issue or would likely impact the issue over the next 10 years. The interview also developed background information relative to the issue area.

The first interview was conducted on September 22, 1989. This interview was with Mr. Robert Sharpe, who had specialized in representing claimants, and lectures on the topic. Mr. Sharpe provided a general overview of the process involved in workers' compensation claims. His assessment was that the system is fragmented and that very few agencies, including the Highway Patrol, were effectively managing claims. Mr. Sharpe sees a need for the Department to become more involved in the process. Experience, according to Mr. Sharpe, has demonstrated that most managers lack basic knowledge about the process and this unfortunately was interpreted as not being interested or as being insensitive. Mr. Sharpe sees a need to integrate the system, possibly starting with a clean slate.

One potential approach would be to integrate health insurance with workers' compensation to eliminate dual administration and establish one source of insurance. Another point raised by Mr. Sharpe is the need to integrate the personnel process so as to include the management of disability claims with other elements. The key according to Mr. Sharpe, is to see the entire system from a holistic perspective. Consequently, training for all personnel, particularly managers, is viewed as critical to improving the process. Managers will benefit by learning their role and should be able to more readily exercise their authority. All employees will benefit through expanded training addressing not only the Workers' Compensation system, but other issues in the personnel arena. The organization will certainly realize improved employee-employer relations by demonstrating sincere interest for the welfare of its personnel.

On October 12, 1989, Ms. Jane Naekel, an attorney in the firm of Jones, Etc., who specializes in workers' compensation cases and lectures on the topic for POST in the Executive Development seminar, was interviewed. The same interview format was used.

Ms. Naekel identified the role of the supervisor and manager as the basis for effectively administering claims. Early intervention coupled with ongoing and regular contact with the claimant is a first step to improving case management. The supervisor should possess a good picture of the employee to assist the attending physician in making an assessment. The supervisor must explain limited duty options. The education of supervisors and managers about the workers' compensation process was viewed by Ms. Naekel as the basis for improving the Department's management of disability injury claims. The attitude of the supervisor in the initial phase sets the tone as far as the employee is concerned.

## PART ONE

### CHARTING THE FUTURE

Charting a course for the future is only possible if we can establish a goal or determine a state or condition we wish to avoid. Since we cannot accurately predict the future, particularly ten years from now, we must rely on methods that permit glimpses of the future relative to the issue under consideration, in this case "How will law enforcement executives and administrators effectively manage disability claims by the year 2000?"

In order to view the issue of managing disability claims with a "futures" perspective the application of a futures research methodology will be employed. This methodology involves: scan the past to identify related "forerunner" issues, consider current emerging sub-issues and look to the future for potential sub-issues. Based on an analysis of the emerging sub-issues, a selection of sub-issues to be studied will be made. This is necessary to set the parameters for the study and sharpen the focus of the study while ensuring that a reasonable and manageable number of related issues are considered.

The related forerunner issues identified were:

- Legislation--particularly California Labor Code Section 4800
- Case law which modified the prior legislation or provided an expanded and/or more defined interpretation

- ❑ Agency experience in managing disability and injury claims
- ❑ Cost associated with administering and managing disability cases is becoming a significant and complex dilemma for the California Highway Patrol
- ❑ Multiple career opportunities invite abuses of disability retirement benefits

Present and emerging sub-issues that may impact the issue of effectively managing disability and injury claims include:

- ❑ Union role evolving
- ❑ Constituent/client/dependent relationship being sponsored by the State Compensation Insurance Fund
- ❑ Budget/staffing limitations on the Highway Patrol will likely continue
- ❑ The role of managers and supervisors in administering disability and injury cases will likely increase
- ❑ Multiple career opportunities may expand and further invite abuses of industrial disability retirement benefits

Two potential sub-issues that could emerge in the designated future of this study were identified. They are as follows:

1. Determination of disability may become totally clinical with no latitude base on strict interpretation of laws and rules
2. Authority to manage disability cases may be limited

Five sub-issues were selected and restated as questions. These sub-issues will guide the focus of the study.

1. What will the role of managers and supervisors be in managing disability and injury cases?
2. What role will the union likely play in the issue of disability retirements?
3. Will multiple career opportunities invite abuses of disability retirement benefits?
4. Will the State Compensation Insurance Fund promote a constituent/dependant (welfare) relationship with its clients?
5. What will the likely impact of disability retirements be on the budget and staffing of the Highway Patrol?

## FORECASTING METHODOLOGY

### Information Scan

The following research methodologies were used to develop and evaluate information related to the issue under study:

The literature review process will serve as a basis to explore and identify information which has the potential to contribute to our understanding of the issue. The source for the literature includes books, periodicals, CHP manuals, journal articles, newspapers, and other documents relevant to the issue.

Personal Interviews are a process of scanning the environment whereby information is obtained from authorities or experts on the topic or issue area.

Nominal group technique (NGT) is a structured process involving group participation for generating ideas or problem solving. There are six steps in the process which include silent generation of ideas in writing, round-robin recording of ideas, serial discussion for clarification, preliminary vote on item importance, discussion of the preliminary vote, and a final vote.

STEEP is an acronym for Social, Technological, Environmental, Economical and Political. This is a method for categorizing and structuring information and ideas.

### Information Application

The **Futures Wheel** is a graphic representation of the primary issue related to sub-issues and sub-issues to sub-issues.

A **Trend** is an objective or subjective observation, over time, of any social, technological, environmental, economic or political measurement.

An **Event** is any discrete, one-time occurrence that affects the issue.

A **Cross-Impact Analysis** is a method of developing data on potential interactions of the final set of events upon other events and trends. These data are subsequently used as the basis for scenario creation.

## Futures Scenarios

Futures scenarios are integrating mechanisms for bringing together and synthesizing large quantities of both hard and soft projections that cannot be handled systematically by any other known means. They provide a means of making a forecast happen in full view of other causes. They provide a framework to systematically and rigorously ask "what if" questions. They allow a means for manipulation for differing results.

**Exploratory - Driving Force Scenario** posits a "scenario space" by specifying distinctly different levels for each trend (or macro-indicator) in a set and then describes the future associated with one of the combinations, assuming that the trend levels remain constant as postulated.

**Normative - Slice of Time Scenario** jumps to a future period in which a set of conditions has come to fruition (or can now do so), and behave in that environment.

**Hypothetical - Demonstration Scenario** posits a particular end-state in the future and then describes a distinct and plausible path of events that could lead to that end-state.

## Futures Research

A nominal group was constituted and provided background material on the issue of managing disability and injury claims and the process of the NGT method. The group's first task was to assist with identifying issues that contributed to the

development of a **Futures Wheel** (Appendix B). The futures wheel established the interrelatedness of the issue with sub-issues. The group was subsequently introduced to the NGT method of forecasting and asked to do the following:

**Trends:** Identify trends related to the issue which are most likely to impact the Highway Patrol's ability to manage disability and injury claims.

**Events:** Identify those events most likely to impact or influence the evolution of the trends.

The nominal group consisted of a mix of law enforcement and professional or career state employees, plus a Police Chief from a local department. The selection of group members was based on a general and in some instances expert familiarity with the topic as well as an expressed interest in both the process and the outcome of the study. The individuals in the nominal group represented the following career disciplines: Deputy Chief, Commander of a Field Division; Assistant Chief, Assistant Commander of Planning and Analysis Division; Captain, Commander of the Department's Office of Internal Affairs; Captain, Commander of a large Field office; Lieutenant, Commander of a small Field office; Lieutenant, Office of the Assistant Commissioner, Field; Sergeant, Office of Internal Affairs; Staff Services Manager, manager of the Department's Disability and Retirement Unit; and a Police Chief, local department. This mix provided differing perspectives relative to the management of disability and injury claims in the California Highway Patrol.

## SELECTION OF TRENDS AND EVENTS

The nominal group met and was provided with an overview of the process that would be utilized to explore the issue and related trends and events. The majority of the group were members of a task force constituted by the Highway Patrol to investigate the issue and develop recommendations for effectively managing disability and injury claims. A facilitator was involved in guiding the progress of the process.

### Trend Selection

The group began the process by developing individual lists of trends. A round-robin process permitted each member of the group to identify one trend at a time. After a discussion of the trends, similar trend statements were consolidated based on group consensus. The trend list was shortened through the use of a voting process based on casting votes for the trends they believed would have the most impact on the issue. The determination of impact was based on the response to this question:

"Which of these trends would be most important to monitor and keep track of because of its likely relationship to the issue of how executives and administrators of the Highway Patrol will effectively manage disability claims and injuries by the year 2000?"

The list of 67 trends (Appendix C) was reduced to five during the voting process to identify what was believed to be the most likely dominant trends. The five trends selected (in no particular order of prioritization) were as follows:

T-1 Staffing and involvement of the Disability and Retirement Unit

The Disability and Retirement Unit plays an administrative role in reviewing and coordinating the processing of injury and disability claims. Field Commanders rely on the advice of the Disability and Retirement Unit's professional staff for initial processing of claims. The timely and appropriate processing of injury and disability claims ensures that claimants will receive the benefits they are entitled to as a result of job-related injuries. The staff of the Disability and Retirement Unit serve as the Highway Patrol's experts in matters involving Workers' Compensation. The staffing of the unit has a direct bearing on the Department's ability to process claims and respond to the many issues and concerns that arise from the claims.

T-2 Management training and development

This trend reflects the training and development managers and supervisors receive relative to managing injury and disability claims. Currently, the Highway Patrol does not have a formal training program addressing the management of claims. The task force identified this

trend as having significant potential for impact on the issue. Training is viewed by the task force as the basis for developing and understanding and appreciation for the issue and the administrative processes associated with managing claims.

T-3 State Compensation Insurance Fund's (SCIF) ability to manage workload

This trend shares similarities with the staffing and involvement of the Disability and Retirement Unit. The workload of SCIF is driven in part by the number of active claims in process and the availability of staff to administer the claims. The complexity of the claims including litigation contributes to the workload. Increases or decreases in the staff of SCIF ability to process claims will have a certain impact on the Highway Patrol's management of injury and disability claims.

T-4 Disability claims

This trend is the basis for the study. Any significant increase or decrease in the number of disability claims filed impacts the issue. The filing of a claim is an act that initiates the process for administering an alleged injury. An increase of claims will impact managers at all levels within the Highway Patrol as well as the SCIF and the Patrol's Disability and Retirement Unit. A decrease in the number of claims filed will likely reduce the workload of Department managers, the Disability and Retirement Unit, and SCIF.

#### T-5 Employee attitudes

The task force viewed employee attitudes as being positive or negative. An increase in the positive direction is seen as being constructive relative to impact on the issue. A negative swing is believed to be destructive. The attitudes held by the employees is viewed as a root factor in any effort to impact the issue.

Following the selection of the five most significant trends, members were asked to evaluate where they felt each trend was five years ago, where it is today, and where it will likely be in five and ten years from now (Trend Statement Table 1). The group was instructed to give each trend a numerical value of 100 for today. Projections included a nominal level (will be) and a normative level (should be). The normative level is defined as what the anticipated or most likely projection "will be" if no intervention is exercised and strategic planning efforts are ignored. The nominal level describes the estimated projection possible in a responsible world, what the world "should be."

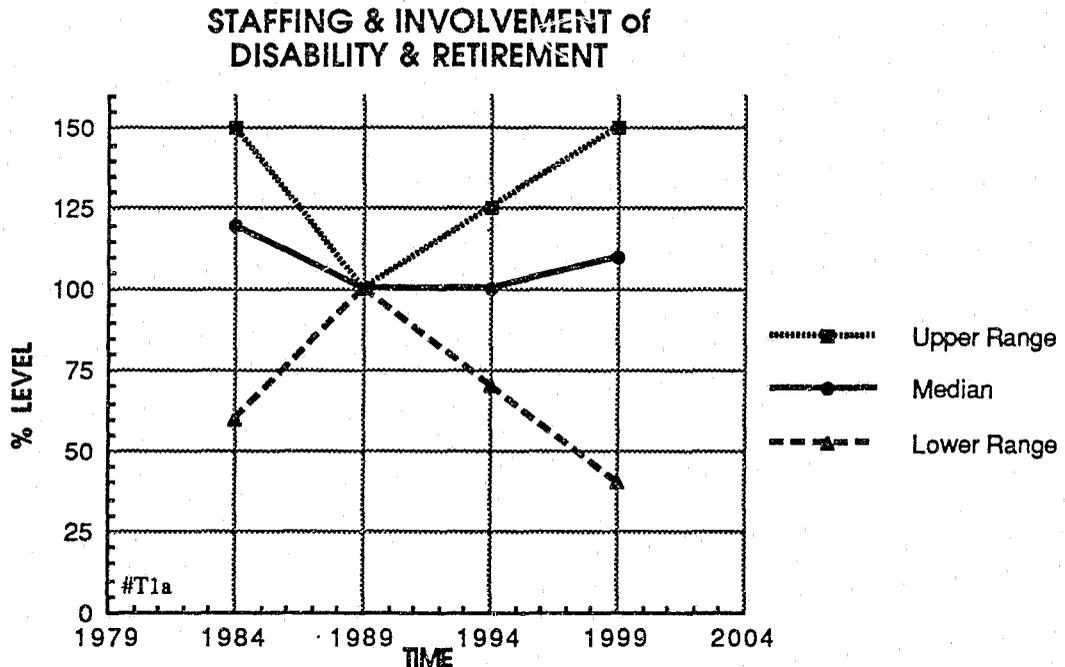
### TABLE 1 - TREND EVALUATION

| TREND STATEMENT  | LEVEL OF TREND<br>(Ratio: Today = 100)     |       |                       |                        |                       |                        |
|--|--|-------|-----------------------|------------------------|-----------------------|------------------------|
|  | 5 YEARS<br>AGO                             | TODAY | 5 YEARS FROM NOW      |                        | 10 YEARS FROM NOW     |                        |
|  |  |       | Will Be               | Should Be              | Will Be               | Should Be              |
| <b>T1 Staffing and Involvement of Disability and Retirement</b>              | MEDIAN<br>120<br><br>60<br>to 150<br>RANGE | 100   | 100<br><br>70 to 125  | 125<br><br>80 to 125   | 110<br><br>40 to 150  | 140<br><br>70 to 250   |
| <b>T2 Management Training and Development</b>                                | 100<br><br>30 to 110                       | 100   | 100<br><br>75 to 150  | 150<br><br>80 to 1,000 | 100<br><br>60 to 200  | 200<br><br>70 to 1,000 |
| <b>T3 SCIF's Ability to Manage Workload</b>                                  | 100<br><br>50 to 125                       | 100   | 90<br><br>80 to 130   | 120<br><br>80 to 200   | 90<br><br>70 to 150   | 140<br><br>70 to 250   |
| <b>T4 Disability Claims (Fraud, Litigated, Age, Sex, Awareness by Peers)</b> | 85<br><br>70 to 90                         | 100   | 140<br><br>120 to 200 | 85<br><br>75 to 120    | 170<br><br>140 to 500 | 80<br><br>50 to 125    |
| <b>T5 Negative Employee Attitudes (Burn-Out, Morale, Work Environment)</b>   | 90<br><br>60 to 120                        | 100   | 110<br><br>40 to 150  | 85<br><br>20 to 150    | 125<br><br>30 to 200  | 90<br><br>50 to 500    |

## Targeted Trends

**Trend 1 - Staffing and Involvement of Disability and Retirement Unit.** The Disability and Retirement Unit plays a critical administrative role in the administration and processing of injury and disability claims. The work load of the unit has steadily increased over the years, yet the staffing level has remained constant. Supervisors and managers are dependant on the Unit's staff for advice and counsel regarding matters related to processing injury and disability claims. Charts Ia and Ib indicate that the staffing and involvement of the Unit will likely remain constant for the next ten years. However, from a normative perspective, the staffing and involvement of the Disability and Retirement Unit should increase by approximately 40 percent to appropriately address the issue.

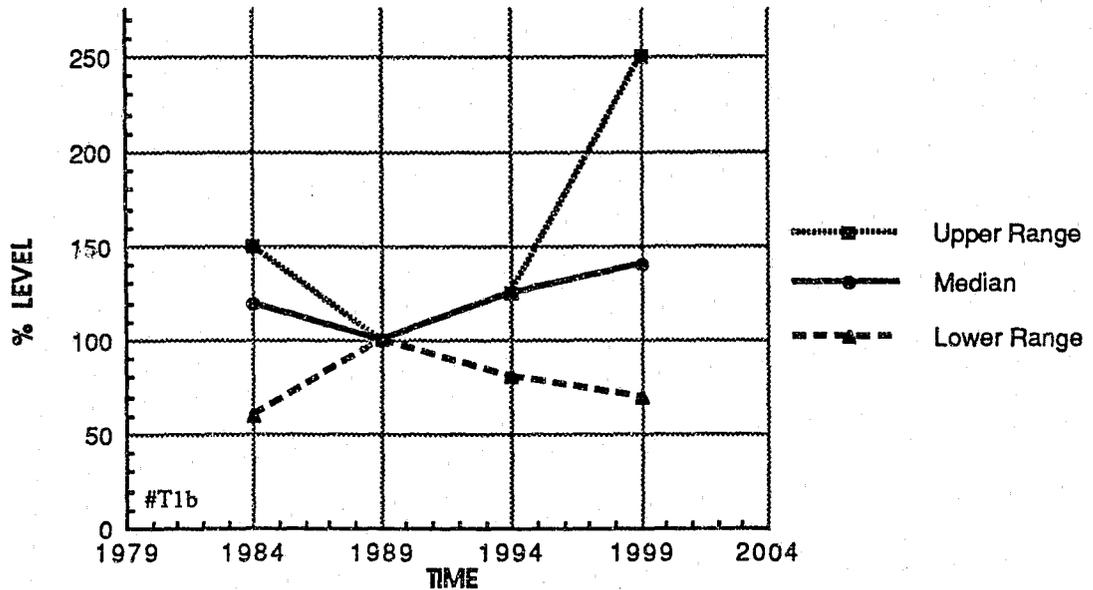
### CHART - Ia ("Will Be")



Will Be in 5/10 Years; Base Year=1989

**CHART - Ib ("Should Be")**

**STAFFING & INVOLVEMENT of  
DISABILITY AND RETIREMENT**

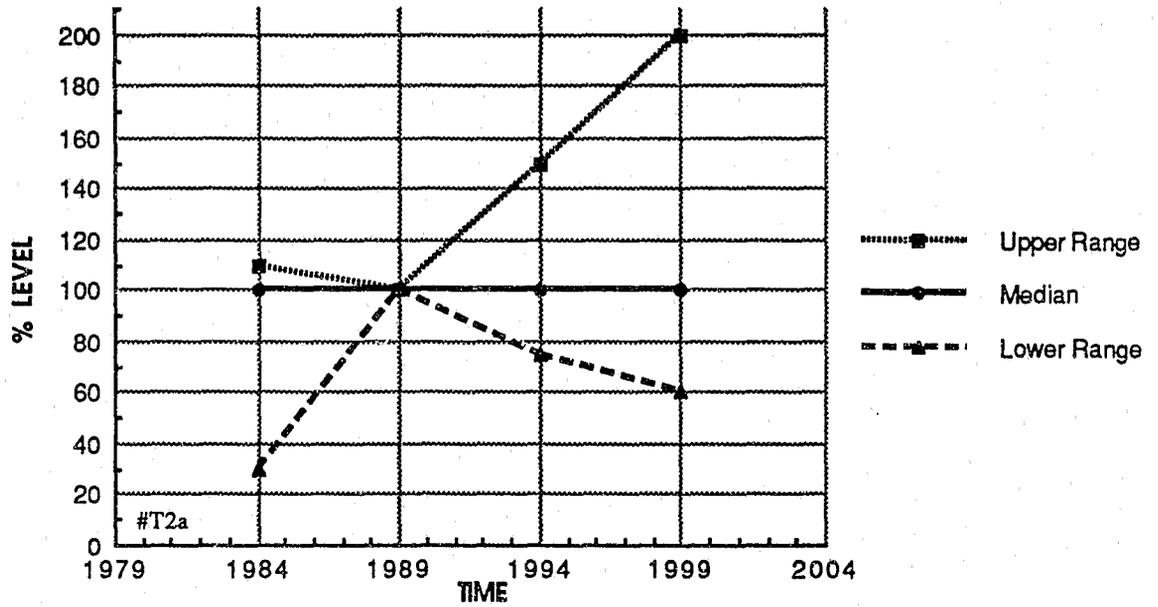


Should Be in 5/10 Years: Base Year=1989

**Trend 2 - Management Training and Development.** The management training and development will certainly be an important trend to monitor with respect to efforts by the Highway Patrol to impact the issue. Chart IIa illustrates that the trend will likely remain constant through the year 1999. The 10-year exploratory projection reflects little change; yet the normative projection for the trend is plotted to represent a 100 percent increase for management training and development (Chart IIb). Management training and development appear to be critical, particularly since this is one trend the Highway Patrol can exercise control over.

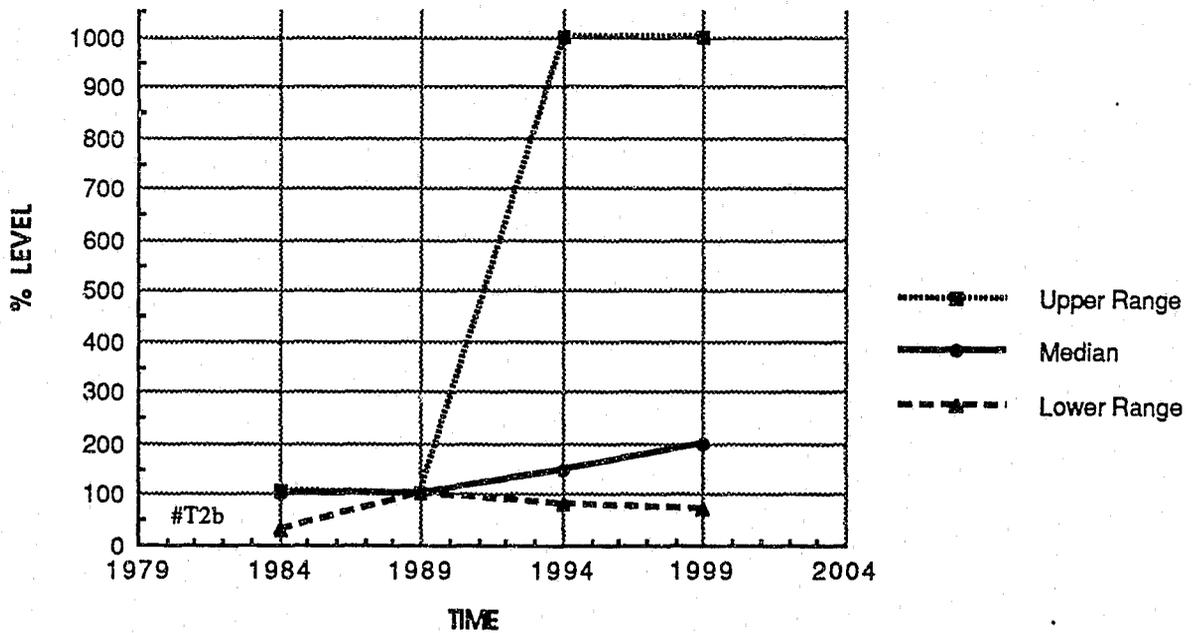
**CHART - IIa ("Will Be")**

**MANAGEMENT TRAINING & DEVELOPMENT**



Will Be in 5/10 Years; Base Year=1989

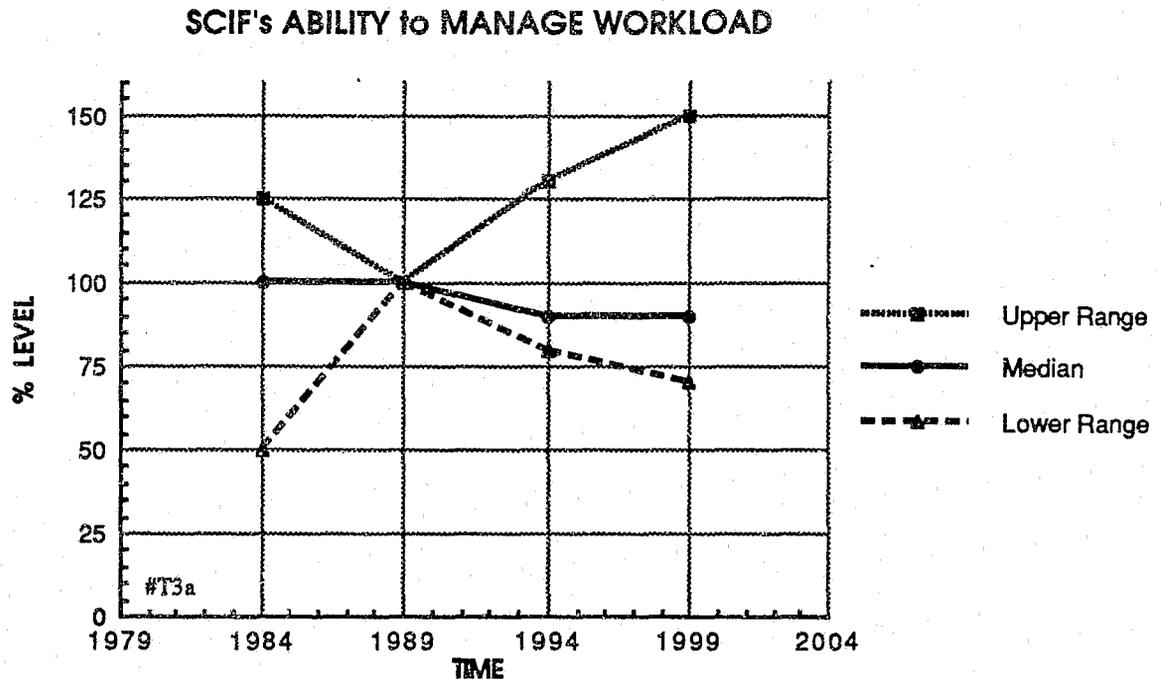
**CHART - IIb ("Should Be")**



Should Be in 5/10 Years; Base Year=1989

**Trend 3 - State Compensation Insurance Fund's Ability to Manage Workload.** The State Compensation Insurance Fund (SCIF) is chartered with administering claims and case management much the same as would be expected of an insurance carrier. The staffing of SCIF and their ability to process claims in a timely manner as well as provide advice and counsel is fundamental to any efforts by the Highway Patrol to improve its effectiveness in managing disability and injury claims. The exploratory trend projection by the panel indicates that the capability of SCIF to manage its workload will drop off (Chart IIIa). The normative projection provides that the ability of SCIF to manage its workload should improve rather significantly (Chart IIIb).

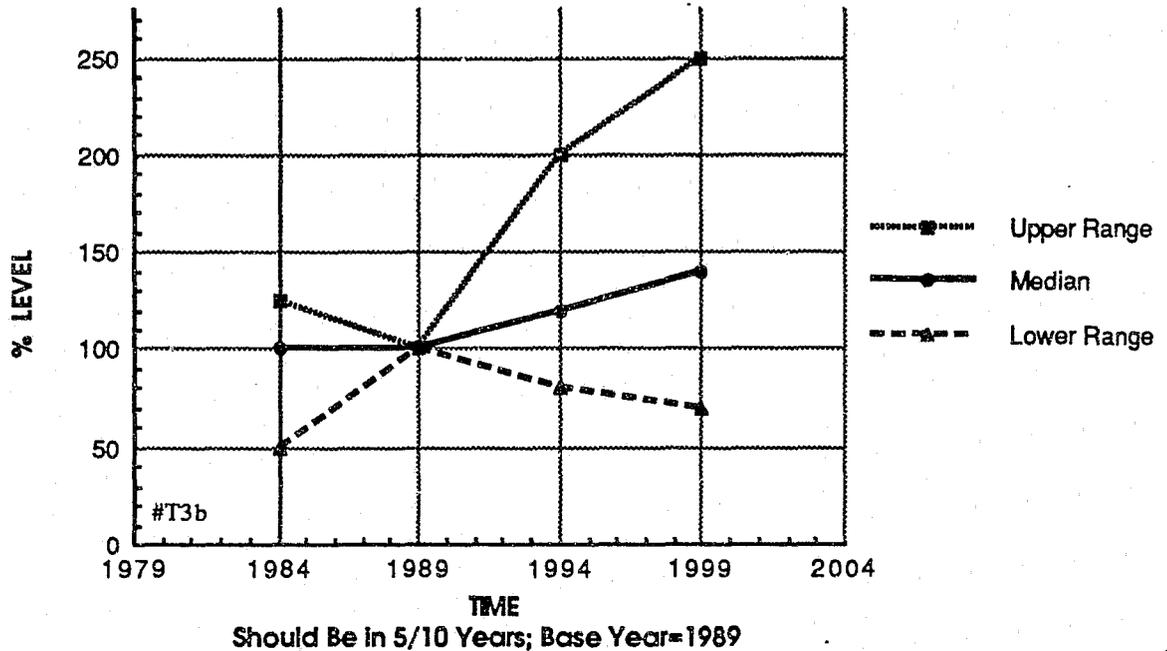
**CHART - IIIa ("Will Be")**



Will Be in 5/10 Years; Base Year=1989

**CHART - IIIb ("Should Be")**

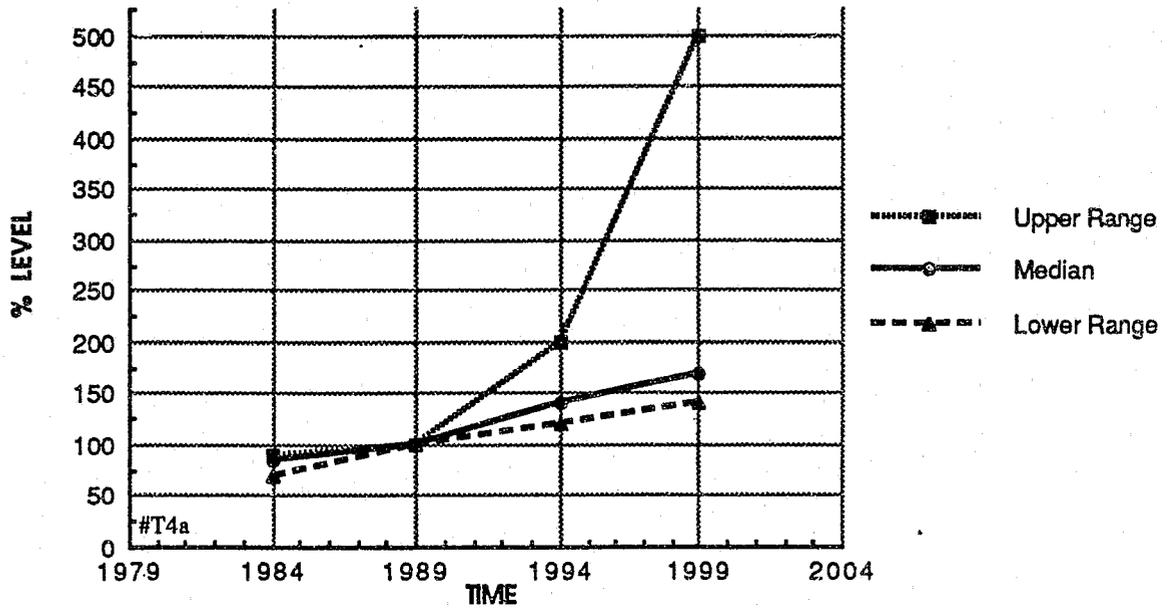
**SCIF's ABILITY TO MANAGE WORKLOAD**



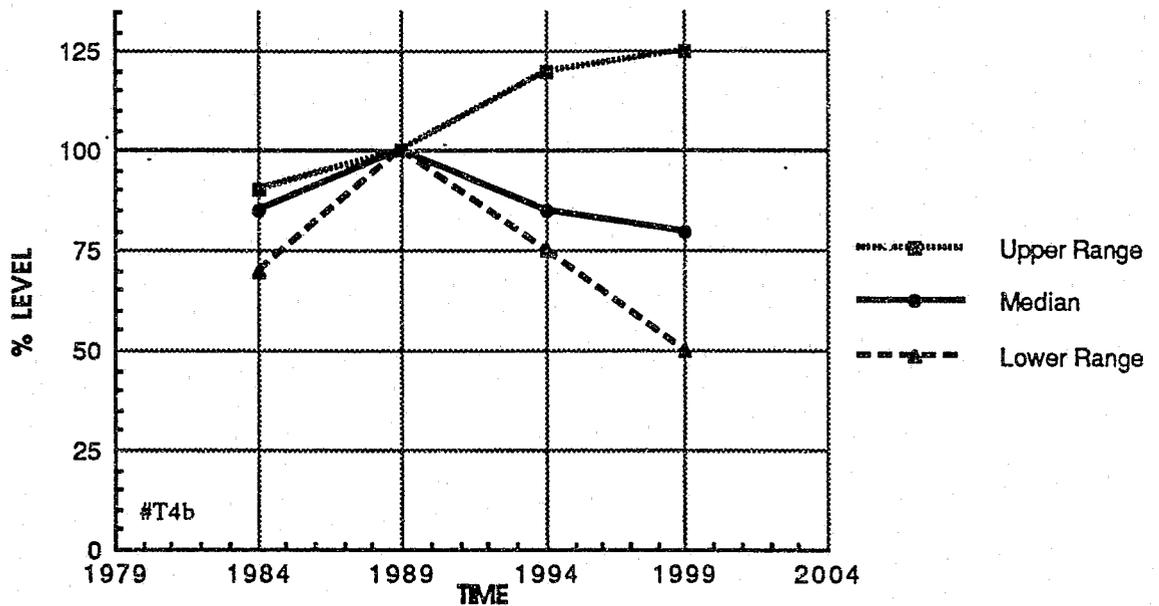
**Trend 4 - Disability Claims.** The number of disability claims filed is a significant consideration for any planning effort directed toward the issue of how the Highway Patrol might more effectively manage claims. A number of factors were absorbed in establishing this trend and include; fraud, cases litigated, age of claimants, sex of claimants and classifications of injuries. The panel projected that the exploratory trend will likely continue to increase at a significant rate (Chart IVa). The normative projection was considerably more optimistic and actually reflects a downward trend (Chart IVb). The information provided by this trend's projection supports the intuitive sense relative to the topic.

**CHARTS - IVa & IVb ("Will Be & Should Be")**

**DISABILITY CLAIMS**



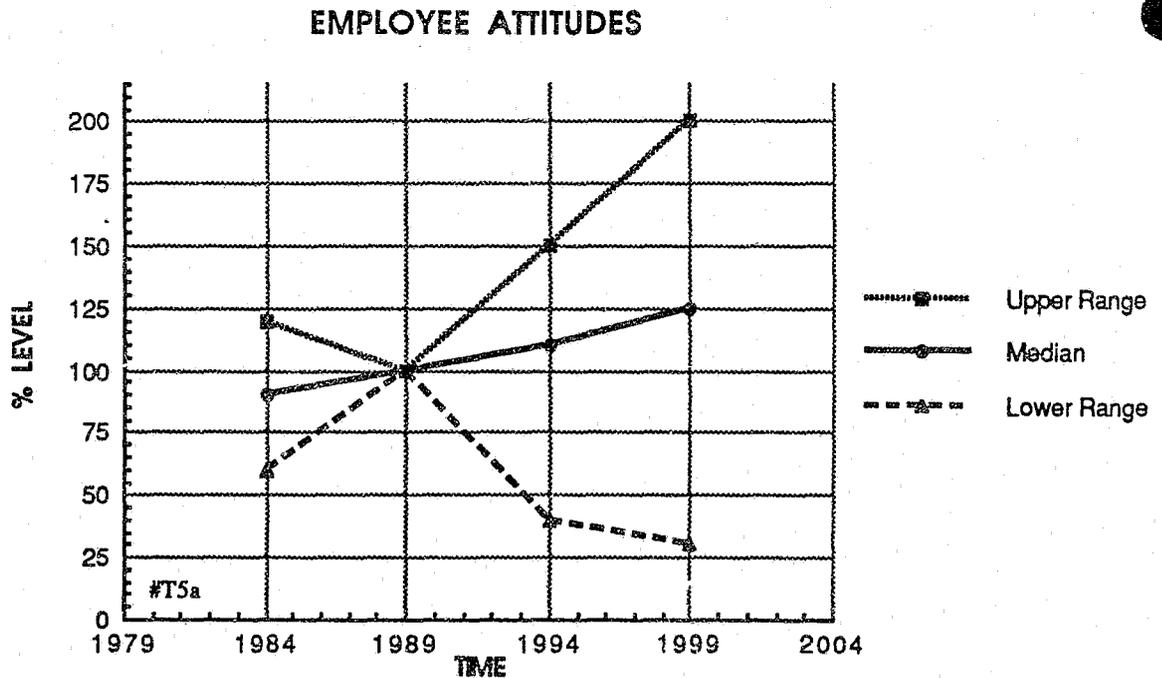
Will Be in 5/10 Years; Base Year=1989



Should Be in 5/10 Years; Base Year=1989

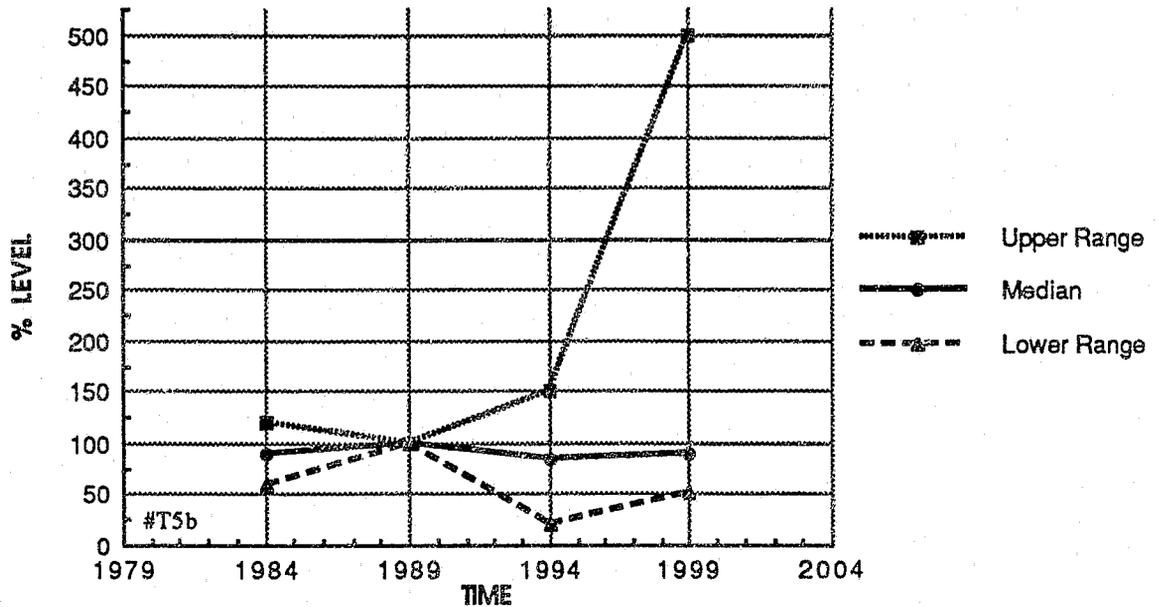
**Trend 5 - Employee Attitudes.** Employee attitudes were viewed by the participants as critical to any efforts by the Highway Patrol management to address the issue of more effectively managing disability and injury claims. This trend was based on the perceived need by the panel for a broader definition of the problem. Several panel members expressed concern that addressing disability claims and injuries is merely focusing on the symptoms of a larger more complex problem. Included in this trend are factors such as burnout, morale, work environment and applied management philosophy and leadership style(s). The exploratory trend reflects an upward orientation (Chart Va). This upward orientation was interpreted to express a negative implication giving rise to more disability and injury claims. The normative projection, by comparison, reflects a slight downward movement but not necessarily a convincing trend (Chart Vb). This fact may be attributable to the "soft" nature of the behavioral influences contained in the trend.

**CHART - Va ("Will Be")**



**CHART - Yb ("Should Be")**

**EMPLOYEE ATTITUDES**



Should Be in 5/10 Years; Base Year=1989

**Event Selection**

The criteria and process used for determining the final set of events was similar to the one described for identifying the candidate trends. The nominal group identified a total of 57 potential events. The participants arrived at a reasonable level of consensus about the final selection of events to be considered. The group transferred the five candidate events onto an event evaluation form. Using this form the group rated the events according to the probability of occurrence and the net impact of each event on the issue. Table 2 depicts the results of the groups ratings and Appendix D contains the list of events.

**TABLE 2 - EVENT EVALUATION**

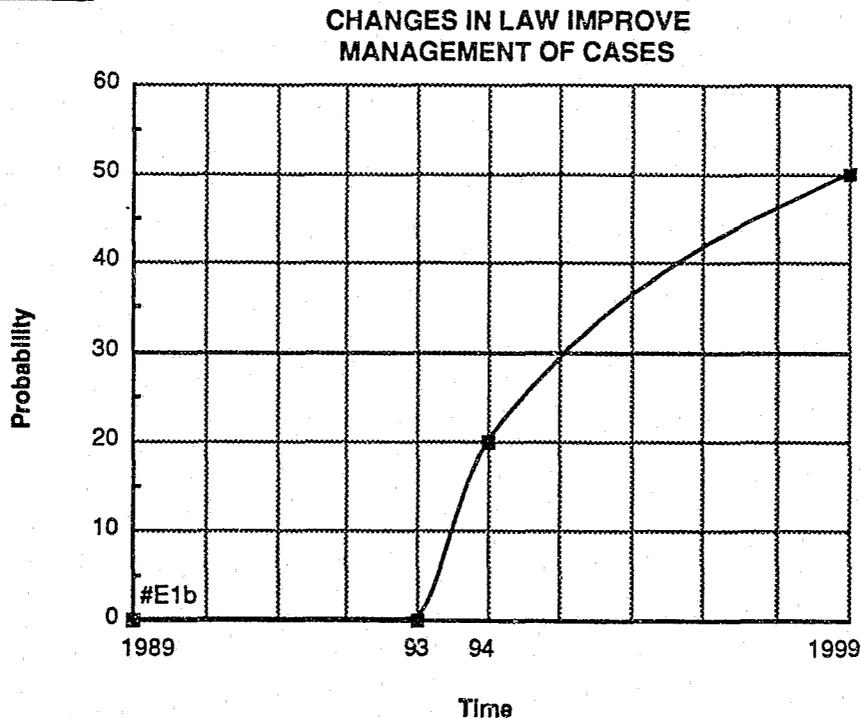
| EVENT STATEMENT                                       | PROBABILITY                              |                             |                            | IMPACT ON THE ISSUE AREA IF THE EVENT OCCURRED |                      |
|---|--|-----------------------------|----------------------------|--|----------------------|
|   | Year That Probability First Exceeds Zero | Five Years From Now (0-100) | Ten Years From Now (0-100) | Positive (0-10)                                | Negative (0-10)      |
| <b>E1 Changes In Law Improve Management of Cases</b>  | 1993                                     | 20                          | 50                         | 7<br>Range<br>5 to 8                           | 4<br>Range<br>1 to 5 |
| <b>E2 Disability Fraud Investigative Program</b>      | 1991                                     | 50                          | 80                         | 8<br>Range<br>6 to 10                          | 2<br>Range<br>1 to 4 |
| <b>E3 Incentives for Full-Term Service Retirement</b> | 1993                                     | 20                          | 50                         | 8<br>Range<br>2 to 10                          | 2<br>Range<br>0 to 5 |
| <b>E4 Department Adjusts Own Cases</b>                | 1995                                     | 0                           | 25                         | 5<br>Range<br>1 to 8                           | 5<br>Range<br>0 to 8 |
| <b>E5 Commanders Manage Claims</b>                    | 1990                                     | 75                          | 90                         | 9<br>Range<br>5 to 10                          | 2<br>Range<br>1 to 5 |

## Targeted Events

There were five selected events that were evaluated by the panel. A discussion of each of these, and a graph of their probability, are presented below.

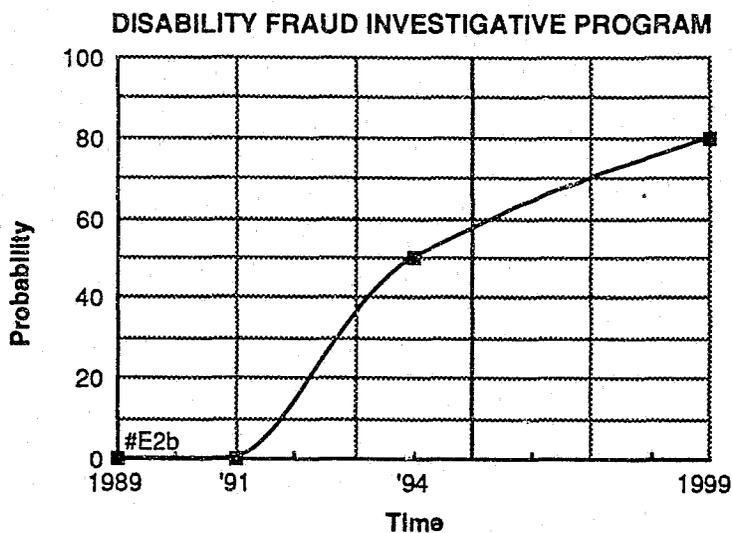
**Event 1 - Changes in Law to Improve Management of Cases.** The probability of this event occurring by 1999 was estimated by the NGT panel to be only 50 percent (Chart VI). However, if the legislation were enacted, the panel believed that it would have a relatively positive impact of seven (7) as opposed to a negative impact of four (4). The basis for the low probability of occurrence was identified as the need to promote a specific piece of legislation for one department having a narrow impact on the larger issue of public safety pension and disability cases. The group believed that this event was an important consideration and may warrant further investigation.

### CHART - VI



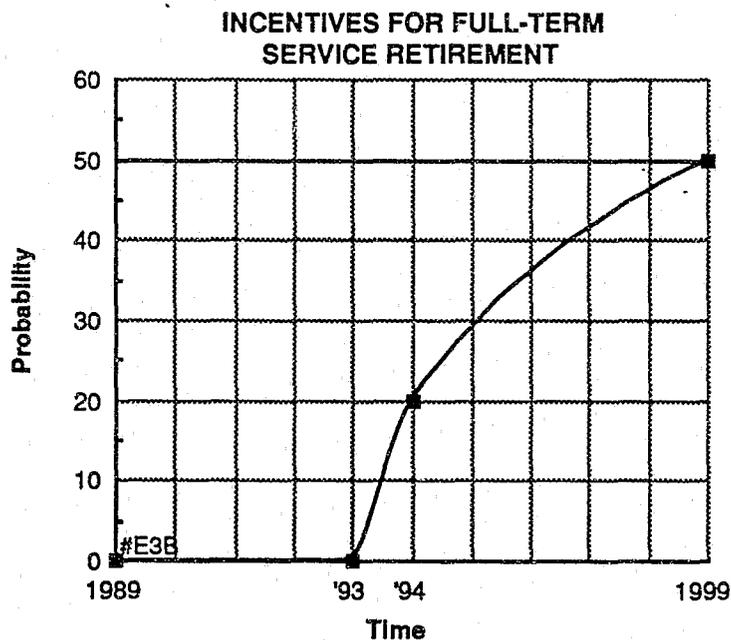
**Event 2 - Disability Fraud Investigation Program.** This event was viewed as having an 80 percent probability of occurring within 10 years (Chart VII). The participants in the NGT panel believed that the Department had a responsibility to investigate all claims where any doubt of legitimacy existed. Establishing a Disability Fraud Unit was perceived by the participants as having a relatively strong positive impact, eight (8), on the issue. The negative impact of establishing a Disability Fraud Unit was relatively low, scoring only two (2) as indicated in Table 2. A consensus among the panel members was that merely announcing the establishment or implementation of a Disability Fraud Unit by any name would dissuade some individuals from taking advantage of the system.

**CHART - VII**



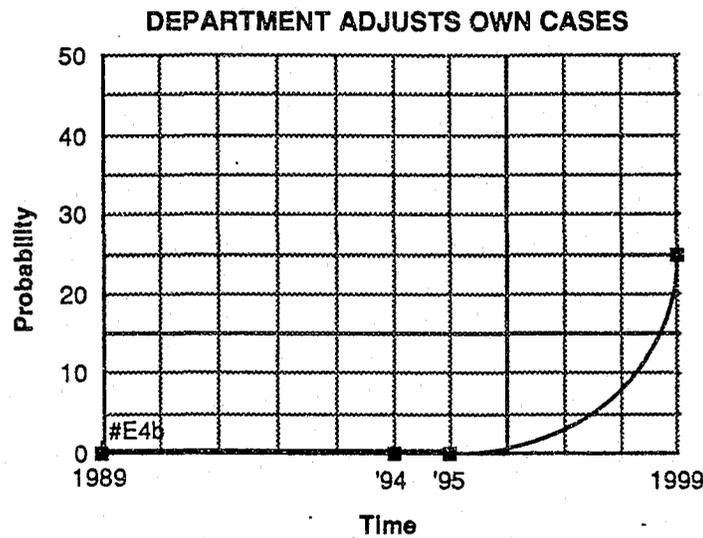
**Event 3 - Incentives for Full-Term Service Retirements.** Enhancing incentives for full-term service retirements was given only a 50 percent likelihood of occurring by the year 1999 (Chart VIII). While this probability may not be encouraging, the projected positive impact is cause for optimism. The positive impact was estimated to be eight (8), which is rather significant. The negative impact was estimated to be two (2), with a range of only zero (0) to five (5). The question that confounded consensus was the trade off consideration; would the cost to enhance the full-term service retirement be less than the cost associated with disability related cases? The probability estimate of the group reflected the "crap shoot" implications posed by considering this event and its impact on the issue area.

**CHART - VIII**



**Event 4 - Department Adjusts Own Cases.** This trend was estimated to have only a 25 percent probability for occurring by the year 1999 (Chart IX). Because of this low probability, consideration was given to discarding it and identifying a substitute event. However, the participants elected to follow the process. The impact of this event on the issue area was estimated to be medium with respect to both negative and positive influence.

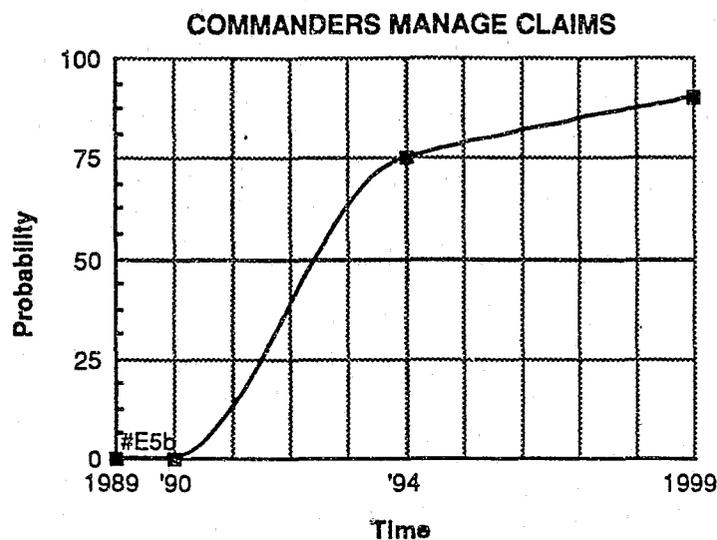
**CHART - IX**



**Event 5 - Commanders Manage Claims.** This event was seen by the group as having the highest probability of occurring with an estimate of 90 percent by the year 1999 (Chart X). It also had a probability of 75 percent for occurring by 1994 along with a chance of being implemented or occurring in 1990. The positive impact on the issue area was rated the highest of any of the events, at a nine (9). The negative impact was seen as relatively minimal, a two (2). The benefit of this event would be the placing of accountability for managing disability and injury claims at the

appropriate level within the Department. Because the Highway Patrol is a large decentralized organization, a centralized management approach for this issue is incongruous with what appears to be the obvious need for individual case management.

**CHART - X**



**Cross-Impact Analysis and Evaluation**

Cross-impact analysis estimates the impact of one event occurring with another event, or one event occurring with a trend. The impact on an event can be an increase or decrease in the probability of another event occurring, or can have no impact at all. Likewise, the impact of an event on a trend can affect the direction or impact of that trend. The cross-impact analysis matrix (Table 3) was used to identify the interrelationships of the selected events with themselves and with the trends. The question posed for each analysis of impact upon events was as follows: "If this event

## CROSS-IMPACT EVALUATION CHART

Suppose.....How would the probability of the events shown below be affected?  
 that this event actually occurred?  
 ▼

How would the level of these trends be affected?

|                        | E1<br>LAW<br>CHANGES      | E2<br>FRAUD<br>PROGRAM                    | E3<br>INCEN-<br>TIVES    | E4<br>DEPT.<br>ADJUSTS       | E5<br>CMDRS.<br>MANAGE    | T2<br>STAFFING/<br>INVOLVE. | T4<br>DISABILITY<br>CLAIMS | T5<br>EMPLOYEE<br>ATTITUDES | ACTORS      |
|------------------------|---------------------------|---|--------------------------|------------------------------|---------------------------|-----------------------------|----------------------------|-----------------------------|-------------|
| E1<br>LAW<br>CHANGES   | /                         | MEDIAN<br>100<br><br>0 to<br>200<br>RANGE | 100<br><br>0 to 200      | 100<br><br>0 to 200          | 70<br><br>0 to 200        | 100<br><br>0 to 200         | -50<br><br>-150<br>to -10  | 0<br><br>-150<br>to +200    | MEDIAN<br>6 |
| E2<br>FRAUD<br>PROGRAM | 0<br><br>-100<br>to +200  | /   | 0<br><br>-100<br>to +300 | +50<br><br>-100<br>to +500   | 200<br><br>0 to 500       | 100<br><br>50<br>to 300     | -50<br><br>-300<br>to -10  | +25<br><br>-200<br>to +100  | 5           |
| E3<br>INCEN-<br>TIVES  | 0<br><br>-100<br>to +200  | 0<br><br>-200<br>to +50                   | /                        | 0<br><br>-200<br>to +50      | 0<br><br>-50<br>to +50    | 0<br><br>0 to 70            | -50<br><br>-300<br>to -2   | +100<br><br>-250<br>to +500 | 2           |
| E4<br>DEPT.<br>ADJUSTS | +20<br><br>-50<br>to +200 | 100<br><br>0 to 200                       | 0<br><br>-100<br>to +100 | /                            | 150<br><br>50<br>to 1,000 | 100<br><br>50<br>to 300     | -25<br><br>-50 to 0        | +50<br><br>-50<br>to +100   | 6           |
| E5<br>CMDRS.<br>MANAGE | 0<br><br>-100<br>to +500  | +100<br><br>-150<br>to +1,000             | 0<br><br>0 to 200        | +50<br><br>-100<br>to +1,000 | /                         | 100<br><br>100<br>to 500    | -25<br><br>-200 to 0       | +20<br><br>-100<br>to +100  | 5           |
| REACTORS               | MEDIAN<br>1               | 3   | 1                        | 3                            | 3                         | 4                           | 5                          | 4                           |             |

actually occurred what would the new resulting probability be for the other events?" When comparing the impact of an event upon each target trend the following question or consideration was to be addressed: "If this event actually occurred, what impact would it have upon each trend, in terms of percent increase or decrease?"

### **Actor Events**

Actor events were identified by tabulating the rows that had the most number of impacts or affect on other events or trends. Events with the higher totals are called the "actor" events. They are, or should be, the primary targets of policy action. In descending order, the actor events in this study were as follows:

- E-4 Department adjusts own cases
- E-1 Changes in law to improve management of cases
- E-2\* Disability fraud investigation program
- E-5\* Commanders manage claims
- E-3 Incentives for full-term service retirement

\* Tied in ranking.

### **Reactor Trends and Events**

The reactor trends and events were identified by tabulating the columns of the cross-impact analysis matrix. Those with the highest tabulations were identified as reactors since they most frequently reacted with or would be affected by an actor event.

The following (in descending order) were identified as reactor events or trends.

- T-4 Disability claims
- E-5 Commanders manage claims
- T-2 Management training and development
- T-3 SCIF's ability to manage workload
- T-5 Employee attitudes
- E-2 Disability fraud investigation program
- T-1 Staffing and involvement of Disability and Retirement Unit
- E-4 Department adjusts own cases
- E-1 Changes in law to improve management of cases
- E-3 Incentives for full-term service retirement

From the input provided by the analysis of the cross-impact matrix, different scenarios can be constructed with the same impact percentages by manipulating the occurrence of the events. For example, if the Department were to adjust its own cases, this event would increase the likelihood of changes in the law to improve the management of cases. The Department would almost certainly establish a Fraud Unit to investigate questionable claims. Almost certainly the responsibility for claims management would be vested with the local commanders. The staffing and involvement of the Disability and Retirement Unit would likely increase. Management training and development would certainly increase to address this changed role. SCIF's ability to manage its workload would potentially improve due in part to a decrease in claims being filed. Employee attitudes could also improve if the Department assumed responsibility for managing its cases.

## FUTURES SCENARIOS

The value of constructing scenarios rests in their ability to serve as integrating mechanisms for bringing together and synthesizing large quantities of both hard and soft projections that cannot be handled systematically by any other known means. Creating scenarios provides a vehicle for making forecasts happen and for asking vital questions like "what if?" While there is no perfect or accurate picture of the future, scenarios allow examination of possible futures. The key becomes the identification of futures to be avoided or the pursuit of those we wish to see occur.

### Exploratory Mode Scenario

The development of this scenario describes the future evolution of present forces in motion. It assumes that nothing will change. Trends will continue as projected. New policy actions will not be developed. The scenario type to be applied is referred to as the "driving force" scenario. It posits a "scenario space" by specifying distinctly different levels for each trend (or macro-indicator) in a set and then describes the future associated with one of the combinations, assuming that the trend levels remain constant as postulated.

### SCENARIO I

It is 1999 and the California Highway Patrol is continuing to experience a paralyzing number of disability and injury claims that evolve into disability retirements. In 1988, the Highway Patrol experienced 140 disability related retirements; this year it will see more than 250 of its officers retire for disability reasons and almost 300 more

officers off due to industrial injury. This phenomenon was predicted 10 years ago, but the Department was not able to capitalize on opportunities to make legislative changes. Training programs for managers were eliminated because of a shortage of managerial personnel. Likewise, the Patrol's attempt to assume responsibility for managing its own claims was denied because of efforts by the State Compensation Insurance Fund (SCIF) to address the issue and opposition by the Department of Personnel Administration (DPA), who argued the Department should not expand its role in this issue. Total responsibility for administering claims rests with SCIF who along with DPA, also opposed the Department's establishing a Disability Fraud Investigation Unit.

SCIF's workload has increased dramatically and is now at the point where it has become ineffective in processing claims. More important to the Highway Patrol is the overall negative impact on employee attitudes and morale. A public opinion survey conducted by a leading private research firm indicates that the public has begun to question the integrity and credibility of the Highway Patrol and the effectiveness of its management.

### **Normative Mode Scenario**

The normative mode requires a moral or ethical stand be taken on the final outcome and seeks to show that the future developments described can be linked back to the present. The "slice of time" aspect of the scenario takes us to a future period in which a set of conditions has come to fruition (or can now do so), and then describes how key stakeholders think, feel, and behave in that environment.

## SCENARIO II

The Commissioner of the California Highway Patrol has been summoned by the California Legislature to report on the accomplishments of the Department over the past decade and to describe the outlook for the new century. The Commissioner is reflecting on what it took to get the Department to the year 2000. The morale and productivity of the Highway Patrol has served as an example of "excellence in law enforcement" for the past six years. The issue of industrial disability retirements has faded, and the Department will be recognized for reducing incidents of disability retirements by over 30 percent during the decade. The Commissioner notes that back in 1990, the role of the staff involved in administering the Department's Disability and Retirement Program was clarified and decentralized and the Disability Fraud Investigation Program was established. Amendments to the 1989 Workers' Compensation legislation in 1994 provided the Department with the necessary authority to manage the cases. Actual management of claims is being handled by local commanders, who have been given greater autonomy in administering their commands.

As part of the 1994 legislation, uniformed employees are allowed service retirements after 20 years of service. An element of the retirement benefit is a two year education program intended to prepare the retiree for a new career. The Highway Patrol now includes a module addressing the management of disability and injury claims in its supervisory and management training seminars. The program has been recognized as a model by the Commission on Peace Officer Standards and Training. The Governor recently bestowed an Occupational Safety award on the Department for

its fifth consecutive year of reduced disability retirements and injury claims. The Highway Patrol has received national recognition for its programmed approach to addressing disability and injury claims.

The Commissioner steps forward to address the Legislature and is proud of the accomplishments of the Department over the past decade. The Commissioner acknowledges the outstanding contributions of the employees who have served the Department and the citizens of California.

### **Hypothetical Mode Scenario**

In this scenario the writer consciously produces an alternative path of development by manipulating the data base, but does so in an impartial "what if" spirit. Typically it is written in the worst-case, best case or odd case mode. The demonstration aspect of the scenario posits a particular end state in the future and then describes a distinct and plausible path of events that could lead to that end-state.

### **SCENARIO III**

The implementation of a comprehensive training program for commanders was advocated by the Department of Personnel Administration (DPA) in 1992. The program included a module addressing personnel issues and in particular the management of disability and injury claims. DPA was concerned with the soaring number of disability claims and retirements filed by members of the Highway Patrol. This concern also led to DPA sponsoring legislation to authorize it to manage the Highway Patrol's claims. Included in the legislation was a proposal to require

members of the Highway Patrol who become disabled to work in state service and receive their full salary. This measure was strongly opposed by the California Association of Highway Patrolmen and the management of the Department. Continued employment with the state has resulted in a decrease of claims and for those that occur the officers are assured a continuation of all benefits including the full salary of the rank they held before becoming disabled. Since 1993, the Department has been able to provide a significant bonus for officers retiring on full-term service retirements. A study conducted in 1997 concluded that the measures brought about by the legislation resulted in a 28 percent reduction in disability and injury claims. Employee attitudes and morale appear to be reasonably high based on little absenteeism and turnover. Public opinion regarding the delivery of service and the effectiveness of the Highway Patrol has remained consistently high since 1992. The executive management of the Highway Patrol is satisfied with the results of DPA's managing disability and injury claims. It is difficult to argue with success.

## **SUMMARY**

The scenarios described above are based on the events and trends as forecasted by the members of the nominal group. There are an infinite number of scenarios available for policy consideration. However, for the purpose of this study, the normative mode scenario will be carried forward because it represents a desired and attainable future state. In the next section the ground work for realizing the desired future state will be presented.

## PART TWO

### STRATEGIC MANAGEMENT

#### MANAGING DISABILITY RETIREMENTS: TIMELY INTERVENTION

The purpose of this portion of the study is to develop and implement a strategic management process that will include decision-making, planning and policy considerations. To this point, we have addressed the possible futures by means of projecting the likely trends and events which served as the basis for the creation of scenarios. The process provided insights relative to the relationships of sub-issues and potential occurrences. The understanding of the dynamics and forces at play provides appreciation for policy considerations being closely tied to these relationships. The policies selected for implementation must be capable of impacting the issue, address the setting or environment, and must certainly be strategic in terms of time and focus.

The strategic plan to be developed in this section will identify the alternative policy actions aimed at facilitating the attainment of the desired future described in the normative mode scenario, "The Managed Future." The recommended course of action will be designed to enable the CHP to initiate interventions and policy changes to address the current and projected trends affecting the management of disability and injury claims which all too frequently evolve into disability retirements.

## METHODOLOGY: STRATEGIC PLANNING

Strategic planning techniques enable us to estimate the long term impact of present decisions, plan the role of an organization a specific number of years in the future, and develop the strategies and negotiate plans with critical stakeholders by which the organization may influence its future or adapt itself to the expected future. When augmented by futures research, contemporary strategic planning differs from traditional long range planning in that it adds a special emphasis on discerning and understanding potential changes in the external environment, competitive conditions, threats, and opportunities. Modern strategic planning recognizes that organizations are shaped by outside forces as much as by internal ones.

We begin with an analysis of the present situation. The situational audit used will consist of a **WOTS-UP Analysis and Strategic Assumption Surfacing Technique (S.A.S.T.)**. WOTS-UP is the acronym for Weaknesses, Opportunities, Threats, and Strengths Underlying Planning, and assists us in determining whether the organization is capable of dealing with its environment. It is designed to aid in finding the best match between the environmental trends and internal capabilities. The first part of the analysis is an examination of the threats and opportunities presented by the environmental situation. Second, the Department's strengths and weaknesses are analyzed. The purpose of such an analysis is to provide information on distinctive competencies of the organization that are used to take advantage of the identified opportunities and avoid or minimize the threats.

A Strategic Assumption Surfacing Technique (S.A.S.T.) also contributes to the situation audit as a self generated analysis of the significant stakeholders. The technique requires the performance of three tasks:

1. The identification of significant stakeholders.
2. Assigning assumptions that each would hold on the central issue.
3. The preparation of a map, or graphic representation, of the degrees of certainty and importance of the previous assumptions.

The principle intent of S.A.S.T. is to drive home the concept that the organization does not operate in a vacuum, that its policies have implications outside the organization, and that outsiders can impact policy choices and implementation.

## **WEAKNESSES, OPPORTUNITIES, THREATS, STRENGTHS** **UNDERLYING PLANNING (WOTS-UP) ANALYSIS**

### **The Environment**

The CHP is a Department within the Business, Transportation and Housing Agency. The Department has over 8,500 employees with approximately 5,770 uniformed members and an operating budget of almost \$554 million for fiscal year 1989/90. The Highway Patrol operates nearly 2,000 enforcement vehicles along with 340 motorcycles. The CHP is responsible for providing patrol and traffic

enforcement services for more than 97,000 miles of roadway including 7,788 miles of freeways and expressways. The Highway Patrol serves a population base of 27,000,000 with almost 19,000,000 licensed drivers. There are now almost 25,000,000 vehicles registered in California.

For budgetary purposes, the operations of the Highway Patrol are divided into four (4) major programs. The largest program addresses "Traffic Management," which has over \$432 million budgeted for operations directly associated with the program. The objectives of the program, as defined by the Legislature, are to minimize deaths, injuries, and property losses due to traffic accidents; to minimize traffic delays to the motoring public; and to provide protection and assistance to the motoring public. Ground operations associated with this program ensure that the county roadway system and State highways under CHP jurisdiction are provided patrol services.

The remaining three programs include regulation and inspection, vehicle ownership security, and administration. The \$51 million budgeted in support of these program elements provides specific support for the conduct of commercial vehicle enforcement and regulation activities, vehicle theft prevention and recovery, and administrative support to assure the overall success of the various departmental programs.

The Highway Patrol has established the management and regulation of traffic to achieve safe, lawful and efficient use of the highway transportation system as its primary mission.

A secondary mission is that:

*The Department in its role as a major statewide law enforcement agency, supports local law enforcement and stands ready to assist in emergencies exceeding local capabilities. Additionally, as a public service agency the Department provides disaster and lifesaving assistance.*

The objectives of the Highway Patrol are rather straightforward and consist of the following:

- ❑ **Accident Prevention** - To minimize the loss of life, personal injury and property damage resulting from traffic accidents.
- ❑ **Emergency Incident/Traffic Management** - To minimize exposure of the public to unsafe conditions resulting from emergency incidents, impediments and congestion.
- ❑ **Law Enforcement** - To minimize crime.
- ❑ **Assistance** - To assist other public agencies.
- ❑ **Services** - To maximize service to the public in need of aid or information.

Exposure of the officers of the Highway Patrol to situations with the potential for injury has increased with their involvement in arrests where the potential for assaults is high. In 1988, members of the Department arrested nearly 129,000 drivers who were suspected of being under the influence of alcohol and/or drugs and more than 15,000 felony suspects. At least 211 officers were injured as the result of assaults arising out of their official duties. The future appears to hold even more exposure for the officers of the Highway Patrol to assaults and other opportunities for job related injuries.

## Trends - Opportunities and Threats

Five trends were identified in the first part of this study as those most likely to impact the issue of the administrators and executives of the Highway Patrol effectively managing injury and disability claims. These trends will now be examined to see what opportunities and threats they may present to the issue.

### **1. Staffing and Involvement of the Disability and Retirement Unit.**

The staffing level of the Disability and Retirement Unit plays a critical role in the Highway Patrol's ability to effectively and efficiently process injury and disability claims. The administrative nature of the Unit's responsibility places it in a reactionary role. Increased or decreased involvement of the Unit has immediate impact on the claimants with respect to the administration and processing of claims. Likewise, managers rely on the advice and counsel of the Unit's staff in making decisions regarding the status of officers who have a claim in process.

A decrease in the staffing of the Disability and Retirement Unit will adversely affect its ability to process claims and assist line managers in administering the claims. Line managers may be placed in a position of having to make uninformed decisions on the management of cases. A decrease in the staffing will likely result in less involvement of the Unit in assisting line managers. The expertise of the Unit staff is critical to proper handling of claims and because of the specialized nature of workers' compensation there is a need to have individuals conversant with the laws, rules and processes. In addition, there are also the many relationships between the Unit's staff

and the staffs of doctors, the State Compensation Insurance Fund, the Public Employees Retirement System and others who play an integral role in the administration of workers' compensation claims for the Highway Patrol.

**2. Management Training and Development.** The training of managers in administering disability and retirement cases is a fundamental aspect in preparing them to manage their most valuable and basic asset their personnel. In this instance, to see a decrease in training for managers relative to the ongoing administration of claims will likely result in a negative impact on their effectiveness and eventually that of the Highway Patrol at large.

A comprehensive training program for managers will capitalize on the opportunity to prepare managers for an eventuality they will all likely experience at some point in their managerial careers. Preparation to address an issue arms the manager with the needed tools to be successful. The success will be measured in terms of effective management of personnel resources available and of injury and disability claims.

**3. State Compensation Insurance Fund's Ability to Manage Workload.** The efficiency and effectiveness of SCIF in managing claims is a critical element in the Highway Patrol's handling of cases. The staffing of SCIF has a direct bearing on the timely and appropriate processing of claims. Generally, a decrease in the staffing will result in a lower capacity to process claims. Similarly, a new or unskilled staff will not be able to process claims with appropriate efficiency, resulting in unacceptable delays. The skill level also determines the appropriate handling and determination for individual cases.

An adequately staffed and trained SCIF should provide a service level supportive of the Highway Patrol's management of injury and disability claims. The more informed the claims adjusters are, the better the advice and counsel they provide the managers of the Highway Patrol in implementing the procedures and administering the cases. This is particularly beneficial because each case is unique and most managers only contend with a few cases during their entire career. What makes this point consequential is that each disability retirement costs the Department close to \$425,000. It is certainly in the Highway Patrol's best interest to see that SCIF is capable of managing its case load and that the Department has a solid working relationship with SCIF.

**4. Disability Claims.** An increase in disability claims will have a significant impact on the Highway Patrol as well SCIF in terms of simply processing the claims. The far reaching operational impact on the Highway Patrol will be a diminished capacity to maintain the level of service it is currently providing. The morale of the officers will likely be negatively influenced. The budget of the Department will be impacted, and the Highway Patrol could certainly experience public criticism.

A decrease in claims would likely permit better management of those that are submitted. The Department's Disability and Retirement Unit's staff would be in a position to assist local commanders in those instances where their expertise is required. Since the morale of a law enforcement agency is often inversely associated with its injury and workers' compensation experience, a decrease of claims, could potentially, be an indicator of healthy morale. The productivity of the agency should be positive, and the budget item addressing its workers' compensation contributions should reflect positively on the organization.

**5. Employee Attitudes.** Employee attitudes are a major influence on a law enforcement agency's injury and disability claim experience. An increase in negative attitudes brings with it the likelihood of an increase in disability claims. Poor morale results in a decline in productivity and the ability of the agency to sustain an appropriate level of service. This threat places a serious burden on the Department from a number of angles. First, poor attitudes breed more of the same. Individuals who might not otherwise be disposed to incur an injury find themselves in positions where they sustain injuries. Second, performance and productivity suffer. Because of negative attitudes, the potential for hostile relations with the community served increase. The ability of management to implement its programs is adversely impacted, frequently with outright resistance from the affected employees

Positive employee attitudes are generally a good barometer for the overall health of the organization. An improving or increasingly good attitude will likely bring with it a decrease in injury and disability claims. The productivity of the agency should also improve. Likewise, the agency's ability to contend with minor adversity and change should be effective. Thus, the agency would be seen as adaptive and responsive to the community it serves. The community should also react positively to the agency and support its programs.

## Events - Opportunities and Threats

Five events were also identified in the first part of this study as the most likely to impact the ability of the Highway Patrol executives and administrators to effectively manage disability claims and retirements. These events will now be examined to determine and evaluate the potential opportunities and threats they present to the issue area.

**1. Changes In Law to Permit Management of Cases.** This event would have the potential of permitting the Department to manage the administration of its disability cases. Such a change could have widespread impact such as allowing the Department to offer alternatives to retirement. This event would bring with it the need to ensure that executives and administrators of the Highway Patrol were well versed in the new legislation and managing claims. The role of the Disability and Retirement Unit would likely be affected since it is the Department's experts on the issue, and managers would be even more dependent on their advice and counsel.

**2. Disability Fraud Investigation Program.** This event would establish a formal disability fraud investigation program to address all incidents where the suspicion of fraud or abuse of the system exists. This event has the potential of causing individuals who do not have a completely legitimate claim to think twice before filing it. The notion that such claims would likely be scrutinized would certainly have some deterrent effect.

**3. Incentives for Full Term Service Retirements.** This event would enhance the financial attractiveness of a full term service retirements. One aspect that would certainly be applied is the concept of pride in being able to claim the distinction of a service retirement. Included in the consideration of the event is a shorter term required to meet the definition of a service retirement. There is also the benefit that provisions would be made to assist service retirees with obtaining necessary training or education to qualify for another career line. Enhancement of full term service retirements will require additional funding to support, along with the identification of benefits that will make the package attractive. Likewise, the benefits associated with disability retirements will have to be maintained at their present level to prevent them from pushing service retirement benefits above a reasonable threshold.

**4. Department Adjusts Own Cases.** This event sees the Department replacing the State Compensation Insurance Fund in the adjusting role. This role for the Department would certainly spawn an investigative unit to follow up on suspected cases of abuse. Likewise, the Department in some cases might be subjected to criticism for perceived uses of the process rather than applying disciplinary measures.

**5. Commanders Manage Claims.** The decentralization of the claims management process holds some rather important and attractive elements. This event would permit managers who are closest to the case an opportunity to manage the administration of the claim as it unfolds. Personal involvement brings with it the appreciation for the circumstances surrounding the case. Likewise, the manager will see to it that the case is thoroughly investigated.

A threat in this event is the demand it places on existing resources. Management of injury and disability claims certainly involves time. The cases must be investigated and reviewed. The claimants need to be contacted on a routine basis, and managers must remain current with all developments affecting or influencing the case. A benefit of establishing a relationship with claimants is that they do not lose touch with the organization and hopefully will continue to hold the organization in a positive light.

### Internal Capability Analysis

The internal capability analysis is an unbiased assessment and documentation of an organization's strategic strengths and weaknesses. It is an audit accomplished in a systematic fashion of the organization's capabilities. An effective strategy takes advantage of the organization's opportunities by employing its strengths and counters threats by avoiding, correcting or compensating for weaknesses.

A representative sample of Highway Patrol managers were asked to rate the capability and adaptability of the Department anonymously and independent of the other respondents. Two separate rating forms were used (Appendices E and F).

This assessment provided the basis for determining the current environment of the Department. Respondents were asked to rate each category from I (superior) to V (real cause for concern). The responses in each category were totaled and averaged, and the results are shown below.

## ORGANIZATIONAL CAPABILITY

|                           |            |                               |            |
|---------------------------|------------|-------------------------------|------------|
| <b>Staffing</b>           | <b>3.2</b> | <b>Legislative Support</b>    | <b>2.1</b> |
| <b>Technology</b>         | <b>3.4</b> | <b>Executive Support</b>      | <b>2.6</b> |
| <b>Equipment</b>          | <b>3.3</b> | <b>Growth Potential</b>       | <b>2.6</b> |
| <b>Facilities</b>         | <b>3.4</b> | <b>Management Flexibility</b> | <b>3.3</b> |
| <b>Funding</b>            | <b>3.1</b> | <b>Sworn/Non-sworn Ratio</b>  | <b>3.3</b> |
| <b>Calls for Service</b>  | <b>2.7</b> | <b>Salary Scale</b>           | <b>2.8</b> |
| <b>Management Skills</b>  | <b>2.6</b> | <b>Benefits</b>               | <b>2.6</b> |
| <b>Supervisory Skills</b> | <b>2.6</b> | <b>Turn Over Rate</b>         | <b>2.4</b> |
| <b>Officer Skills</b>     | <b>1.8</b> | <b>Community Support</b>      | <b>2.1</b> |
| <b>Training</b>           | <b>1.4</b> | <b>Sick Leave Rate</b>        | <b>3.0</b> |
| <b>Attitudes</b>          | <b>2.6</b> | <b>Morale</b>                 | <b>3.1</b> |
| <b>Image</b>              | <b>1.8</b> |                               |            |

A review of the organization's capabilities indicates that the Highway Patrol members surveyed view the Department's strengths and weaknesses as follows:

| STRENGTHS           | WEAKNESSES             |
|---------------------|------------------------|
| Training            | Technology             |
| Officer Skills      | Facilities             |
| Image               | Equipment              |
| Community Support   | Management Flexibility |
| Legislative Support | Sworn/Non-Sworn Ratio  |

Surveyed personnel indicated that the strength of the Highway Patrol rests with its people and the support they enjoy from the community and Legislature. The weaknesses identified generally focus on availability of appropriate technology, equipment and facilities.

The major strength of the Highway Patrol is its training and the skills of its officers. These two strengths could prove particularly beneficial implementing change. Likewise, the widespread support the Department enjoys could also prove to be valuable in addressing the issue.

The weaknesses primarily dealt with "things." The availability of appropriate technology, equipment and facilities can be tied to the state budget and the large decentralized nature of the Department. The Highway Patrol management was viewed as being conservative. The inability to acquire the latest equipment and technology will have little influence on the issue area. However, the perception regarding management flexibility may be an indicator worth addressing.

Capability Analysis - Part 2 (Appendix F) focuses on the adaptability of the agency to make the changes necessary in order to deal with the issue of how the Highway Patrol will effectively manage injury and disability claims. Organizational adaptability evaluated elements within the agency which reveal the type of strategy most suitable for policy implementation. The following analysis depicts the agency's level of adaptability to change. The respondents were asked to rate each category from I (Custodial - Rejects Change) to V (Flexible - Seeks Novel Change).

The responses in each category were averaged and the ratings are as follows.

|                              |            |                          |            |
|------------------------------|------------|--------------------------|------------|
| <b>Mentality/Personality</b> | <b>2.1</b> | <b>Power Structure</b>   | <b>1.9</b> |
| <b>Skills/Talents</b>        | <b>2.3</b> | <b>Structure</b>         | <b>2.2</b> |
| <b>Knowledge/Education</b>   | <b>2.4</b> | <b>Resources</b>         | <b>2.9</b> |
| <b>Culture/Norms</b>         | <b>2.8</b> | <b>Middle Management</b> | <b>3.1</b> |
| <b>Rewards/Incentives</b>    | <b>2.6</b> | <b>Line Personnel</b>    | <b>2.9</b> |

This change capability analysis suggests a conservative organization adaptable to minor change. Top management was viewed as rather conservative and reactive, adapting to minor change, definitely not seeking novel changes. The middle management of the Highway Patrol was seen as seeking and embracing familiar change. This latter point will be important for the implementation of any policy strategy intended to address the issue.

This WOTS-UP Analysis, coupled with the following S.A.S.T., will be used to provide direction for implementation of the strategic plan and the situational environment for the transition plan.

### **STRATEGIC ASSUMPTION SURFACING TECHNIQUE (S.A.S.T.)**

The Strategic Assumption Surfacing Technique (S.A.S.T.) contributes to the situation audit and identifies stakeholders and assumptions they hold that are related to the issue being studied. "Stakeholder" is defined as all those entities, parties, actors, organizations, groups, individuals - internal and external to the organization - that affect and are affected by its policies.<sup>13</sup> Stakeholders are individuals and groups

or organizations who: (1) are able to impact what you do; (2) are impacted by what you do; (3) are concerned or care about what you do. The notion of stakeholder also contains the concept of unanticipated stakeholders who can radically impact your strategy. These stakeholders are called "snaildarters." The term refers to the basic, deep rooted, often unstated values and beliefs that individuals or groups have about the world. Stakeholder assumptions are what the plan implementors feel will be the stakeholder's position on the issue.

It is critically important to the development and subsequent implementation of the strategic plan that these players, both internal and external to the organization, be identified. Once identified, their positions may be analyzed and a course of action to bring about the desired result can be formulated.

The stakeholders and their assumptions were identified in a group setting using the members of the Task Force. A list of stakeholders, including snaildarters and assumptions, is contained in Appendix G.

A discussion of the sixteen stakeholders identified by the Task Force members and their assumed positions are discussed below:

- 1. Department of Personnel Administration (DPA).** Would be supportive of retaining "return to work" provisions. "Return to work" provides that an injured or disabled employee is placed in a position where they contribute and earn a portion of their salary. The position may even be in another classification such as an analyst. The DPA is an arm of the executive branch, and under the current administration, costs associated with government operations are strictly controlled.

The cost of government is a concern and since the salaries and benefits of public employees are such a large portion of the budget every effort will be made to keep a lid on this category of spending.

**2. Public Employees Retirement System (PERS).** Would be supportive of retaining "return to work" provisions. The solvency of the retirement fund could be eroded if more liberal benefits were provided. The PERS is intent on having more money coming into the fund rather than what is being paid. To achieve this the System depends on a strong investment program and on the majority of its members paying into the fund rather than receiving benefits.

**3. Unions.** Will likely oppose attempts at reform unless a demonstrated benefit is included. Reform or attempts to provide management with added discretion tips the scale or balance of the labor and management relations. The unions would see themselves as giving up benefits they have earned for their employees. If the change occurred for the Highway Patrol, other segments of the union arena would likely be affected at some point in the future.

**4. Highway Patrol Management.** The management of the Highway Patrol is supportive of policies and reform that favors management. The managers of the Department see a need to create a system that will permit management of the process and limit opportunities for abuse.

**5. Officers.** The officers are certainly for reform that eliminates any specter of fraud. They would support better benefits for those who are deserving. However, like the unions they will resist the loss of a benefit and the erosion of what they perceive as employee rights.

**6. Attorneys.** For the most part the legal profession is for retaining the "status quo." Most attorneys see the current problems of the system as bureaucratic in nature. Either staffing is not adequate or the bureaucrats are the problem. The main concern is that "due process" is provided and that individuals are treated based upon the peculiarities of their particular case.

**7. Medical Profession.** The medical profession consists of a full spectrum of practitioners ranging from chiropractors to physicians and psychologists. They will likely maintain a position for retaining the "status quo." Reform that results in tighter controls will limit the care that the medical profession provides and has the potential of adversely affecting their relationships with patients.

**8. Insurance Companies.** Will support efforts for reform that favor them. Salary continuation policies are a hidden cost born by the insurance industry. These policies generally provide for benefits when an individual is disabled or not able to perform the duties required of the normal work position.

**9. State Compensation Insurance Fund (SCIF).** Much like the management of the Highway Patrol, the SCIF would support reform that is responsive and allows for improved management discretion. SCIF also shares the same view as the rest of the insurance industry and will support reform that permits it to improve the benefit-cost ratio.

**10. Public.** The public has the potential for being a "snaildarter," in this case because of its desire to see government costs contained on one hand and a sympathy or empathy for law enforcement on the other. There is a segment of the population that believes that civil service benefits are too liberal. If a ground swell were to occur over this issue, reform could take on a number of faces.

**11. Legislature.** The legislature is seen in somewhat of a dilemma. First, cost control is high on their agenda. Second, constituent benefits rank very high, particularly in the instant case. The legislature will support reform where it believes all parties stand to gain.

**12. State Personnel Board (SPB).** A possible "snaildarter," the SPB will advocate or support the return to work issue. The SPB has established its position on this issue and could be an influence. However, at this time the influence is not viewed as very strong.

**13. Allied Law Enforcement.** Generally, allied agencies will take a position of "wait and see" in order to establish their position on the issue. It is likely that they could be persuaded to support the Highway Patrol's effort toward improving management's effectiveness with respect to the issue.

**14. State/Local Public Employees.** Much like the unions, public employees will oppose the loss of benefits. This is particularly true for unions, but unrepresented employees will also resist change that appears to have the potential to erode their benefit base. This is particularly true in those instances where the Highway Patrol salary and benefit scales are used for comparison in setting other agencies' salary and benefit packages.

**15. Internal Revenue Service (IRS).** The IRS will certainly watch the evolution of any effort to reform the disability benefits of the Highway Patrol and other public safety members. The tax free status of benefits is certainly at risk as efforts are made to tighten loopholes in the tax system.

**16. Highway Patrol Supervisors (Sergeants).** The sergeants will support the change provided they do not lose benefits and do not see themselves being placed in adversarial relationships with the officers.

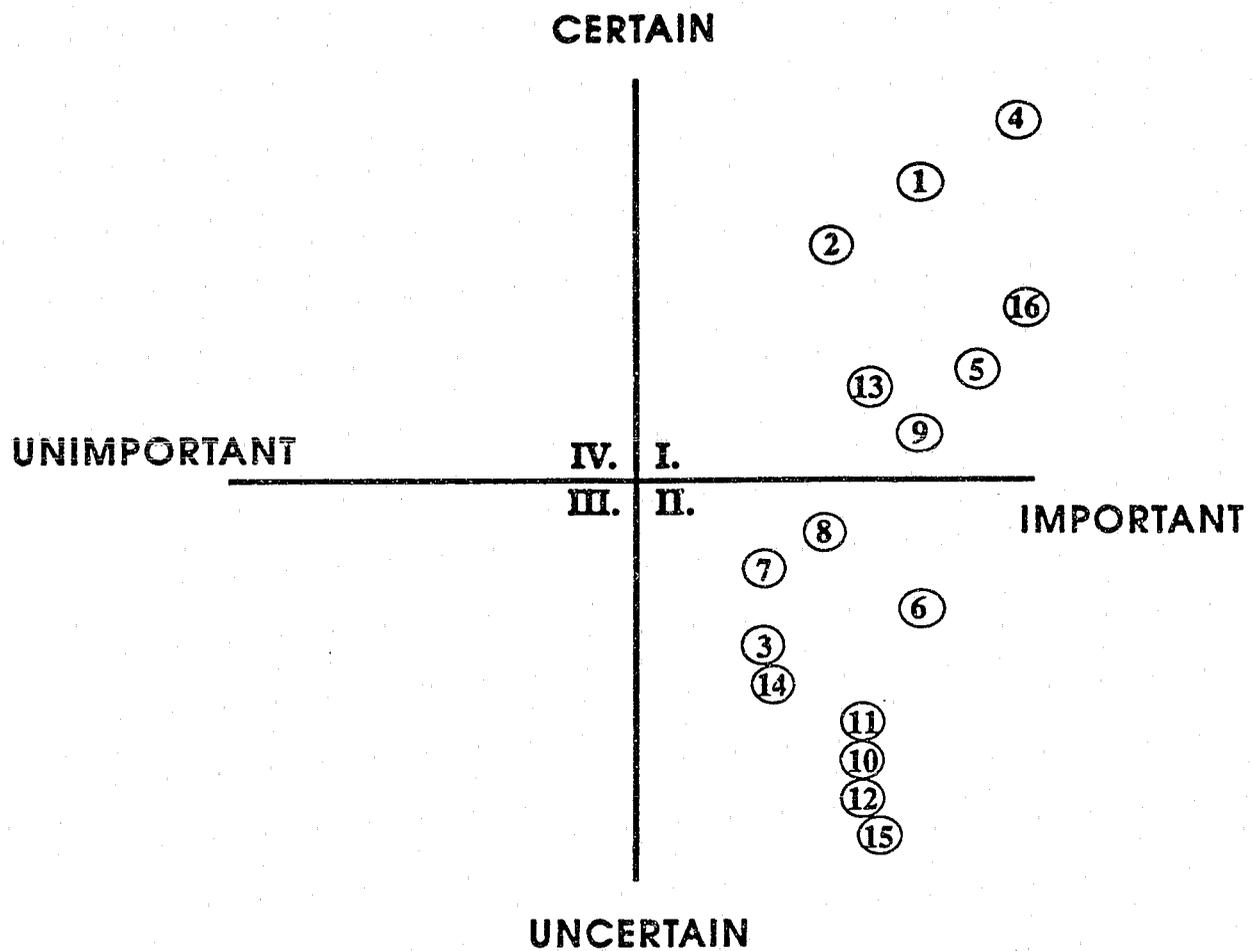
### **Strategic Assumption Surfacing Technique Plot**

The next step of the study involves the plotting of each stakeholder's assumption on a S.A.S.T. map. This is a visual tool to aid in determining the status of the stakeholders and snaildarters. The criteria for plotting or mapping are: (1) the importance of the assumption's stakeholder to the organization and issue, indicated on the horizontal scale; and (2) the degree of certainty to which the researcher believes the assigned assumption is correct (the stakeholders have made up their minds, either in support or opposition), indicated on the vertical scale. Absolute certainty means there is a 100 percent probability that the assigned assumption is

correct, and definite uncertainty means there is a 50 percent probability that the assigned assumption is correct. It is important to note that assumptions are plotted, not the stakeholders, and that some stakeholders may have multiple assumptions.

Figure 1 is divided into four quadrants. Quadrant I contains assumptions which are rated as relatively important and certain. The assumptions in Quadrant I are candidates for becoming pivotal assumptions for the policy. Stakeholder/assumption 4 (Highway Patrol management) is rated the most important and most certain assumption, followed by Department of Personnel Administration, Public Employees Retirement System, officers and the State Compensation Insurance Fund. Quadrant II deserves close attention since it contains assumptions which are considered important but whose validity management sees as uncertain. The uncertainty can be the result of a number of factors including reasonableness and grounds for support. Stakeholder assumption 15 (Internal Revenue Service) is plotted as most important yet least certain. The assumption attributed to the Internal Revenue Service is followed by those attributed to the State Personnel Board, the public, the Legislature, attorneys, state/local public employees, unions and the medical profession.

Stakeholders 4 (Highway Patrol management), 1 (Department of Personnel Administration), 2 (Public Employees Retirement System), 16 (Highway Patrol Supervisors), 5 (Officers) and 9 (State Compensation Insurance Fund) are all important with respect to the issue of how executives and administrators of the Highway Patrol will effectively manage injury and disability claims. This is because they are either involved directly in the process and establishment of policy or have the ability to influence policy and how the process will be administered.



**STAKEHOLDERS**

- |   |                                      |
|---|--------------------------------------|
| 1. Department of Personnel Administration | 9. State Compensation Insurance Fund |
| 2. Public Employees Retirement System     | 10. Public                           |
| 3. Unions                                 | 11. Legislature                      |
| 4. Management                             | 12. State Personnel Board            |
| 5. Officers                               | 13. Allied Law Enforcement           |
| 6. Attorneys                              | 14. State/Local Public Employees     |
| 7. Medical Profession                     | 15. Internal Revenue Service         |
| 8. Insurance Companies                    | 16. Highway Patrol Supervisors       |

**FIGURE 1 - STRATEGIC ASSUMPTION SURFACING TECHNIQUE PLOT**

The Internal Revenue Service (Assumption 15) could certainly play a pivotal role if critical rulings were passed limiting the tax free benefit tied to disability retirement pay. The tax free status of disability retirements was noted to be a significant factor, making disability retirements much more attractive than service retirements. The State Personnel Board (Assumption 12) looms as a snaildarter and possesses the capacity to play an important role. The influence of the public (Assumption 10) and the Legislature (Assumption 11) cannot be underestimated. The varied interests represented by both the Legislature and public make their response difficult to predict.

Attorneys (Assumption 6), medical profession (Assumption 7), unions (Assumption 3) and state/local public employees (Assumption 14) are certainly important for policy consideration but pose uncertainty when attempting to factor them into any analysis. The role of insurance companies' (Assumption 8) in terms of their assumption on reform is important but certainty is questioned.

Stakeholder assumptions in Quadrants III and IV would be candidates for elimination, especially those in Quadrant III since they would be least important and most uncertain. No assumptions were plotted in either quadrant.

## **MISSION**

The primary mission of the California Highway Patrol is the management and regulation of traffic to achieve safe, lawful and efficient use of the highway transportation system.

The Task Force defined its mission for this activity as: *Supporting Department and maintaining a challenging positive work environment and assuring responsible management of injury and disability claims.*

### **MODIFIED POLICY DELPHI**

The primary objective of the Modified Policy Delphi is to ensure that a variety of alternative strategies, designed to address the issue area, are identified and explored. This allows the researcher to analyze the feasibility and desirability of each alternative. From this it is possible to reduce the list of candidate alternatives to a manageable number for the purpose of conducting a more complete strategic analysis.

The Task Force, supplemented with two additional members, was broken into two groups of four persons for the purpose of developing candidate lists of policy alternatives. Appendix H contains a synthesized record of the recommendations developed by the task force's subcommittee. A list of eight alternatives was presented to the entire group to be rated according to each alternative's feasibility and desirability. The following alternatives were presented:

1. Enhance working environment to encourage all employees to realize their greatest career and professional development.
2. Effectively manage disability and injury claims.
3. Disability and Retirement Unit provides direct assistance to local commanders in managing disability and injury claims.

4. Pursue legislation which will enable the Department to effectively manage disability and injury claims.
5. Encourage full term service retirements.
6. Assure comprehensive training for supervisors and managers relative to administering and managing disability and injury claims.
7. Maintain minimum physical performance standards.
8. Develop an alternative insurance source for workers' compensation needs.

After developing this list of policy alternatives, members used a Policy Rating Delphi Sheet (Appendix I) to determine the overall feasibility and desirability of each policy alternative. The scores were summed so that each alternative received a grand score. Although the process calls for the two top scores being retained, the three top scores were retained because of a tie. The top three alternatives were number 6, number 1 and number 2. Additionally, number 3, the most polarized (a lot of high and low scores) alternative, was also retained. The alternatives retained served as the basis for discussion. The purpose of the discussion was to identify some of the pros and cons of the policy alternatives. The alternatives are listed in the order of their ranking by the task force.

**Alternative 6 - Assure comprehensive training for managers and supervisors for operations and personnel management. This alternative includes establishing a formalized manager/supervisor training program in an "Institute" format. Likewise, a sergeant's academy, commander's institute and middle management curriculum would be developed. The curriculum would address such topics as organizational effectiveness, personnel development, injury and disability claims management, operations and behavior.**

This alternative was favored because it could be implemented in the shortest period of time without requiring approval from outside the Department. It also has the potential for the greatest impact on the issue by focusing on creating an appropriate environment and targeting supervisors and managers.

The pros and cons of this alternative were identified as follows:

| <b>PROS</b>                                | <b>CONS</b>   |
|--|---|
| 1. <b>Timeliness</b>                       | 1. <b>Additional work load</b>                          |
| 2. <b>Cost effective</b>                   | 2. <b>Costs associated with training</b>                |
| 3. <b>Utilize Department resources</b>     | 3. <b>Need for ongoing training</b>                     |
| 4. <b>Develop supervisors and managers</b> | 4. <b>Difficulty in obtaining qualified instructors</b> |
| 5. <b>Relatively risk free</b>             |   |
| 6. <b>Approval at Department level</b>     |   |

**Alternative 1** - Enhance working environment to encourage all employees to realize their greatest career and professional development. This alternative involves establishing "excellence and quality" as a core value of the Department. Recognition of individual contributions to achieving excellence would be a key element. Expectations of work performance would be developed and provided each employee.

Lateral transfers in and out of the Department would be permitted for sworn personnel. The three-year limitation for permissive reinstatements would be eliminated. The leave policy would be liberalized to provide for leaves of absence that contribute to career growth. However, returning employees would be subject to a background and testing process applicable to all new hires. The Department's limited duty policy would be expanded to include rehabilitation time for those members who may reasonably be expected to return to full duty.

The pros and cons of this alternative were identified as follows.

| <b>PROS</b>  | <b>CONS</b>   |
|--|---|
| 1. Provide options for sworn personnel                       | 1. Department has few limited duty positions            |
| 2. Lateral transfers opens candidate pools                   | 2. Training lateral transfer personnel may be a problem |
| 3. Limited duty for rehabilitation may save some retirements | 3. Approval from oversight or control agency required   |
| 4. Cost effective  | 4. Expectations for performance already established     |
| 5. Timeliness  |   |
| 6. Relatively risk free                                      |   |

**Alternative 2 - Effectively manage disability and injury claims.** The perspective of the panel was that it is the responsibility of the Commander to effectively manage injury and disability claims at the local level. The Commander should be charged with the formal requirement to investigate and verify each claim. A comprehensive checklist should be established to guide managers and supervisors through the process involved in administering an injury and/or disability claim. Adequate staffing should be provided at the local level to allow for subject matter expertise being assigned to the command.

A Disability Claims Investigations Unit should be established to handle investigations of a sensitive nature or for those that exceed the command's capability. Disciplinary action should be separated from the issue of claims management.

The pros and cons for this alternative were as follows:

| <b>PROS</b>                                   | <b>CONS</b>                           |
|---|---------------------------------------|
| 1. Places responsibility at appropriate level | 1. Cost                               |
| 2. Checklist would assist investigation       | 2. Approval from oversight or control |
| 3. May serve as a deterrent                   | 3. Agency required                    |

**Alternative 3 - The Disability and Retirement Unit provides direct assistance to local commanders in managing disability and injury claims.** This alternative was the most polarized. It received a mixed review for both desirability and feasibility.

A disability claims coordinator would be established for each Field Division office (eight). The authority and responsibility for managing injury and disability claims would be vested with the local commander. The role of the Disability and Retirement Unit would be primarily that of advising and assisting.

The pros and cons identified for this alternative were as follows:

| <b>PROS</b>                  | <b>CONS</b>   |
|------------------------------|---|
| 1. An expert identified      | 1. Little change from present system                  |
| 2. Cost very minimal         | 2. Additional link in process                         |
| 3. Limited training required | 3. Additional personnel will not likely be authorized |

### ALTERNATIVE SELECTION

A combination of alternatives 6, 1 and 2 were selected for implementation. This combination assures a programmed approach to addressing the issue. First, a comprehensive training program will be established to address the management of injury and disability claims. Second, essential policy elements will be considered to address the issue. Third, a specific organizational unit would be established to investigate suspected cases of injury and disability claim abuse. This approach was selected because it appears to provide for a three-pronged coordinated effort to impact the issue.

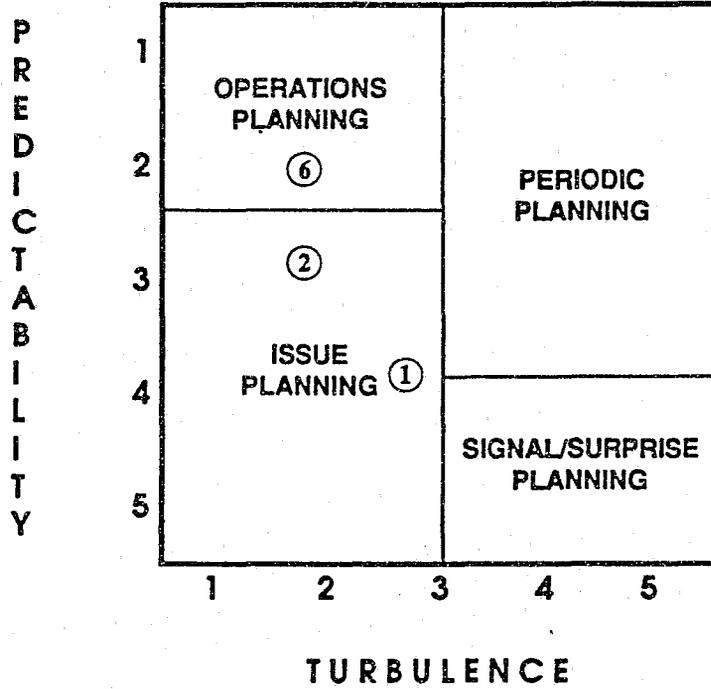
The costs for implementing this set of alternatives as the selected alternative will be considerable over several years, although a strong case can be made for the cost effectiveness of this approach. By phasing in both the training and the Fraud Investigation Unit, the impact of cost can be buffered. The administrative training may be initiated immediately with little cost other than that involved in accomplishing a training needs assessment, developing a lesson plan, and providing classroom instruction. Obviously, the classroom time must be considered as an expense.

### IMPLEMENTATION PLAN

Once a policy course is established, in order for it to be successful an implementation plan must be formulated. Two key factors must be considered in developing and evaluating the planning system: predictability and turbulence. Figure 2 below illustrates a predictability/turbulence chart, where predictability of the future ranges from a high degree of predictability (1) to unpredictable (5). Turbulence (the number of changes expected to occur) ranges from no change (1) to continuous change (5). Using the chart as an analytical tool, an assessment can be made to determine the type of planning system that should be used from among the four basic planning systems: operations, periodic, issue and signal/surprise.

Plotting the three alternatives on the chart (alternative 6 - assure comprehensive training for managers and supervisors for operations and personnel management alternative 1 - enhance working environment to encourage all employees to realize their greatest career and professional development, alternative 2 - effectively manage disability and injury claims) indicates that a combination of the basic planning systems (operations and issue planning) is

# PREDICTABILITY/TURBULENCE CHART



## RATING

Predictability: 1 - Highest Assurance  
5 - Lowest Assurance

Turbulence: 1 - No Change  
5 - Continuous Change

**FIGURE 2**

appropriate. Assuring training for managers and supervisors is rather predictable since the Department can exercise control over this. However, enhancing the working environment and effectively managing disability and injury claims could be less predictable because of the interface with the environment and the dynamics of the issue.

The successful implementation of the strategic plan is dependent on acceptance by the key stakeholders. The stakeholders must support and accept not only the policy but the course of action and the plan to implement the policy. This is accomplished through a stakeholder negotiation process.

### **Stakeholder Negotiation**

**Highway Patrol Management** - The active support of Highway Patrol management is crucial to the successful implementation of this plan. Management will be supportive of the program and will agree that it is necessary. Enhancement of the work environment may be viewed as outside the scope and control of the Department. The effective management of injury and disability claims is something the Department should certainly be striving for and will definitely support.

Highway Patrol management will negotiate on:

1. The cost and personnel resources needed for addressing the issue.
2. Developmental programs and efforts to enhance the work environment that do not compromise management discretion.

3. Personnel necessary to assure effective claims management.

Highway Patrol managers will not negotiate on:

1. Programs that will not enhance Department operations and demonstrate improved efficiencies.
2. Additional personnel, unless a decided benefit can be established prior to commitment.

**Highway Patrol Supervisors (Sergeants)** - The sergeants will support efforts to improve or enhance the work environment. Their role in managing injury and disability claims will be critical to the program's ultimate success.

Highway Patrol Supervisors will negotiate on:

1. Programs that improve benefits.
2. Programs that enhance resource availability.
3. Programs that enhance the work environment.

Highway Patrol Supervisors will not negotiate on:

1. Programs that may reduce benefits.
2. Programs that place them in adversarial relationships with their officers.

**Department of Personnel Administration** - The support of the Department of Personnel Administration (DPA) is critical to the implementation of the plan. The DPA will support programs that improve effectiveness and efficiency, provided no additional funding and personnel are required.

**Unions and Officers/State and Local Public Employees** - The union will likely oppose efforts to reform the current injury and disability claims process. However, the unions and particularly the officers will support efforts to improve or enhance the work environment. Other state and local employee groups will monitor developments and only become active when they perceive a potential threat for them.

The unions and officers will negotiate on:

1. Improved injury and disability benefits.
2. Enhancing the work environment.

The unions and officers will not negotiate on:

1. Any program that reduces benefits.

**Attorneys and the Medical Profession** - The attorney and medical communities will be content to maintain a "status quo." Both groups will insert themselves only if the plan proposes change that affects litigation (due process) or doctor/patient relationships.

**State Compensation Insurance Fund (SCIF) and Insurance Companies** - The insurance industry will be interested in improving the case management to enhance efficiency and where possible reduce claims. For the most part, the industry will support the Highway Patrol's plan.

The insurance industry, including SCIF, will negotiate on:

1. Programs that have the potential to reduce claims and cost.
2. Programs that have a high probability of casting a positive light on the industry.

The insurance industry will not negotiate on:

1. Programs that have the potential to increase operating costs.
2. Programs that reduce their control over claims management.

**Public** - The public certainly has the potential for being a snaildarter in this issue. The public has demonstrated a propensity for opposing proposals that are likely to raise taxes or have costs passed on to them without direct and obvious benefit. In all likelihood, the public will not involve themselves in this matter.

**Legislature** - The California Legislature is extremely sensitive to the issue of workers' compensation. The Legislature will support action that does not result in an expenditure of new funds or negatively impact a constituent.

The Legislature will negotiate on:

1. Programs that do not require additional funding.
2. Programs that do not have a negative impact on constituents.
3. Programs that are constructive in terms of putting people back to work.

The Legislature will not negotiate on:

1. Programs that are controversial or carry significant costs.

**State Personnel Board** - The State Personnel Board has the potential to be a snaildarter. At this point, the SPB does not have an apparent role in the development and implementation of a plan. However, the SPB could certainly assert itself and influence the outcome of the planning effort.

**Allied Law Enforcement** - Allied law enforcement will certainly be interested in the developments of any effort by the Highway Patrol to enhance its management of injury and disability claims. As a stakeholder, the majority of agencies will share the Highway Patrol's perspective on the issue.

**Public Employees Retirement System (PERS)** - The Public Employees Retirement System will be supportive of any reform that retains employees until they contribute to and qualify for a full service retirement. The solvency of the retirement system could be eroded if more liberal benefits were provided.

PERS will negotiate on:

1. Programs that retain members in the system for full term.
2. Programs that reduce system costs.

PERS will not negotiate on:

1. Points that may increase system costs.
2. Points or programs that may liberalize benefits.

**Internal Revenue Service (IRS)** - The Internal Revenue Service is predisposed to tightening up tax loopholes. Its rules and regulations could influence various aspects of disability retirement benefits. In the long term, the IRS will be supportive of efforts to keep individuals on the tax rolls.

## SUMMARY

Negotiating is both an art and a science. In the assessment of the various stakeholders' positions, assumptions were made about their support or opposition to adopting the alternatives cited. Because our assumptions are based on partisan perceptions, we must maintain the realization of how differently others see things: their perspective. The objective of the negotiations with the various stakeholders will be to obtain their affirmative regard and support for the selected alternatives.

The key to these negotiations with the various stakeholders is to be "unconditionally constructive." The prescriptive approach of being unconditionally constructive "requires that we want to take steps that will both improve our ability to work together and advance my substantive interests, whether or not you respond as I would like."<sup>14</sup>

So far the problem has been identified and detailed, the future has been defined through the use of a scenario, and a strategic management plan has been developed. The final portion of this project will involve the development of a transition management plan to take us from the present to the desired future state.

## **PART THREE**

# **TRANSITION MANAGEMENT**

Transition management consists of the movement of an organization from its present state to its desired future state. The period or interval between the present and the desired state, the period when the actual changes take place, is referred to as the transition state. In managing the overall change process it is always important to (1) determine the major tasks and activities for the transition period, and (2) determine the structures and management mechanisms necessary to accomplish those tasks.<sup>15</sup>

In this study, the analysis of stakeholders defined the positions they are likely to take relative to the issue and policy strategy. This part of the study will address the transition management necessary to realize the desired future state. The steps that will be involved include: (1) commitment planning, (2) a recommended management structure, and (3) a listing and description of the technologies and methods that can be employed to support the implementation of the plan. It is understanding these steps and the direction that will set the basis for success in the transition process and, consequently, success in the program.

### **COMMITMENT PLANNING**

Even the best defined and developed plans will not accomplish the desired change unless all the parties essential to the execution of the plan are committed to

seeing it successfully implemented. The architects of the plan must determine who the critical players are for carrying out the plan. A commitment plan accomplishes that objective. A commitment plan is a strategy, involving a series of action steps, devised to secure the support of those subsystems which are vital to the change effort. The steps involved in developing a commitment plan include:

1. Identify the target individuals or group whose commitment is required to ensure that the desired change is realized.
2. Define the "critical mass" needed to ensure the effectiveness of the change.
3. Develop a plan for getting the commitment of the "critical mass."
4. Create a monitoring system to assess the progress.<sup>16</sup>

### **Critical Mass Analysis**

The first step is to identify the "critical mass" of individuals or groups whose active commitment is necessary to ensure the successful implementation of the strategic plan to address the issue of effectively managing injury and disability claims. The "critical mass" by definition consists of the individuals or groups whose active commitment is necessary to provide the energy for the desired change to occur. The idea of critical mass contains the concept of "stakeholder" as defined by Mitroff--which includes all those entities, parties, actors, organizations, groups, individuals--internal and external to the organization--that affect and are affected by its policies.<sup>17</sup> The

purpose for identifying the stakeholders in this case is to determine those which are likely to support the policy strategy along with those who may oppose implementation of the policy. This process was also used to develop the list of critical mass for this plan. While potential surprise stakeholders may exist, the process of attempting to identify them and their position allows the plan to address the issue and mitigate the impact if the stakeholders exercise their position.

The current level of commitment to the plan will be identified along with the minimum level required to assure the successful implementation of the plan. This assessment will be depicted using a Commitment Planning chart to graphically illustrate the dynamics of commitment. Finally, a recommended approach for obtaining the required level of commitment will be offered for each individual or group identified.

The individuals or groups whose active commitment is essential to the success of the proposed course of action are identified as:

1. Highway Patrol Management
2. Highway Patrol Supervisors (Sergeants)
3. Department of Personnel Administration
4. Public Employees Retirement System
5. Unions (California Association of Highway Patrolmen)
6. Officers
7. Attorneys
8. Medical Profession
9. Insurance Companies

10. State Compensation Insurance Fund
11. Public
12. California Legislature
13. State Personnel Board
14. Allied Law Enforcement Agencies
15. State/Local Public Employees
16. Internal Revenue Service

The next step will be to assign assumptions to the players in terms of their disposition toward the proposed change at this time. Figure 3, a Commitment Analysis Chart, indicates the present position (X) of each critical stakeholder. Figure 3 also depicts the minimum commitment (O) that is necessary for the change to occur, with the arrow designating the direction of movement required to get the necessary commitment. Four levels of commitment are used to describe an individual's position: "will block it," "let it happen," "help it happen," and "make it happen."

Highway Patrol Management are presently willing to help implement the desired change. Since they occupy such a pivotal position in the Department, they must be convinced in order for this plan to be implemented. Consequently, their position must be moved to "make it happen" in order to ensure that the desired change results. Their position will influence other Department members and external stakeholders as well.

# COMMITMENT ANALYSIS

- WHAT DO YOU NEED FROM THE 'CRITICAL MASS'?
- WHERE DOES 'CRITICAL MASS' (INDIVIDUALLY) STAND NOW REGARDING THE CHANGE?

| KEY PLAYERS                        | TYPE OF COMMITMENT |                   |                    |                    |
|------------------------------------|--------------------|-------------------|--------------------|--------------------|
|                                    | Block Change       | Let Change Happen | Help Change Happen | Make Change Happen |
| Highway Patrol Management          |                    |                   | X →                | O                  |
| Highway Patrol Supervisors         |                    | X →               | O                  |                    |
| Department of Personnel Admin.     |                    | (XO)              |                    |                    |
| Public Employees Retirement System |                    | X →               | O                  |                    |
| Unions                             | X →                | O                 |                    |                    |
| Officers                           | X →                | O                 |                    |                    |
| Attorneys                          |                    | (XO)              |                    |                    |
| Medical Profession                 |                    | (XO)              |                    |                    |
| Insurance Companies                |                    | (XO)              |                    |                    |
| State Comp. Insurance Fund         |                    | X →               | O                  |                    |
| Public                             |                    | (XO)              |                    |                    |
| California Legislature             |                    | (XO)              |                    |                    |
| State Personnel Board              |                    | (XO)              |                    |                    |
| Allied Law Enforcement             |                    | (XO)              |                    |                    |
| State/Local Public Employees       | X →                | O                 |                    |                    |
| Internal Revenue Service           |                    | (XO)              |                    |                    |

### LEGEND

- X = Where They Are Now
- O = Where They Need/Should Be

FIGURE 3 - Commitment Analysis

Highway Patrol Supervisors (Sergeants) are critical to the implementation of the plan. Presently, they are only viewed as being positioned to "let it happen." They definitely need to be moved to the "help it happen" category. Once the training and policies are instituted, the sergeants will carry out the provisions of the plan at the first-line supervisors level. The sergeants will be pivotal both for putting the plan into operation as well as assuring timely and accurate feedback.

The Department of Personnel Administration (DPA), in its role as an arm of the Executive Branch of California State government, plays a key role in setting policy. From this point of view, the DPA is in a key role for this plan. At this time, it occupies a position of "let it happen," and it must remain there.

Public Employees Retirement System (PERS) shares basically the same position and role as the Department of Personnel Administration. However, PERS plays a pivotal role with respect to the determination of retirements. At this time, it is viewed as being in the category of "let it happen." Certainly, PERS must remain in this category for at least the foreseeable future. At some point PERS may be needed in the "help it happen" to establish an element of the program.

Unions - California Association of Highway Patrolmen (CAHP) - are pivotal to the success of the plan, particularly because of their political influence. At this time, the CAHP is viewed as sitting between "will block it" and "let it happen." This point of view stems from the fact that the union will need to be convinced that the proposed change is in its best interest. In order to implement the plan, the CAHP will need to be in the "let it happen" category.

The officers are viewed as occupying the same position as the union.

Attorneys and the Medical Profession are critical to any efforts to enhance the Department's ability to effectively manage injury and disability claims. They will remain in the "let it happen" category as long as they do not perceive a threat to themselves as a result of the Department's efforts.

Insurance Companies play a somewhat passive roll since they have proven to be able to exert significant influence and maintain control of premiums to underwrite their operating costs. The insurance industry plays an important role with respect to claims adjustment and salary continuation policies. The insurance industry is currently in the category of "let it happen" and should remain there as long as they see no apparent threat by the Department's strategy.

State Compensation Insurance Fund (SCIF) is a critical player to the strategies being considered. Consequently, advice and counsel must be sought from SCIF, and it must be viewed as partners. At this time, SCIF is in the category of "let it happen." Negotiations will have to be undertaken to move SCIF to "help it happen" even if the activities are seen only as a test or pilot project. SCIF will also play a role of helping to educate the Department's managers and supervisors.

The Public remains a critical player from the standpoint that if it perceives a problem or cost that it would be unwilling to underwrite it will remove its support and be a significant opponent. At this time, the public is seen in the category of "let it happen" and should remain there.

The Legislature is one of the more critical members of the "critical mass" because of its public policy and control of the purse strings. The Legislature will support attempts to gain reasonable control over government activities. However, the Legislature is sensitive to its constituency and will react to the public sentiment and special interest concerns. At this point, the Legislature will "let it happen" and should remain in this category.

The State Personnel Board (SPB) is a possible "snaildarter" and similar to the DPA. SPB will be supportive of Departmental efforts to enhance its management of injury and disability claims that result in a decrease of disability retirements. The SPB is currently classified as being in the category of "let it happen" and needs to be lobbied to keep it there.

The Allied Law Enforcement community will watch the efforts of the Highway Patrol and maintain a position of "let it happen" as long as it sees no problems. It will likely maintain this position.

State and local employees will maintain the same relative position as unions.

The Internal Revenue Service (IRS) is an important role player relative to disability claims and retirements. With its rule-making powers the IRS could alter tax related benefits or require different accounting practices. At this time, the IRS has a posture of "let it happen." However, the IRS will have to be continuously monitored for policies or practices that could become a barrier or "will block it."

With the identification of commitment obtained and commitment needed for the successful implementation of the plan, the next issue to be addressed is how is the appropriate level of commitment obtained. Resistance to change should be viewed as a normal part of the overall process and dealt with accordingly. In addressing resistance, a situation must be created that is neutral. Here, no one is forced to take a position, and positions are clarified rather than changed.

There are a number of intervention strategies that may be employed to create the conditions necessary for commitment. Among the strategies available are problem finding, educational intervention and resistance management. Problem finding allows all those concerned with the change to get together to identify and clarify all aspects of any identified problems. The educational intervention strategy allows for the education of all participants to understand a change problem as well as each other's issues and concerns. Resistance management involves creating a need for the change through developing a dissatisfaction with the present state. There must also be a feasibility of attaining the new or desired state, and the cost of the change must not be higher than that of remaining in the current state. These strategies will be utilized in a planning meeting with the Task Force. The purpose of this meeting will be to develop as many issues and concerns as possible. This will allow discussion and mutual education on the various aspects of the plan.

## Management Structure

The critical question confronting the Highway Patrol at this point is how should this time of transition be managed? The most appropriate management system and structure for the ambiguous transition state is the one that creates the least tension with the ongoing system and the most opportunity to facilitate and develop the new system.<sup>18</sup>

Two types of intervention technologies appear appropriate for the circumstances presented in this study. First, educational interventions are available to assist all parties involved or affected by the change to understand the benefits and limitations of what is being proposed. This intervention can be accomplished in a series of meetings and classroom situations involving the stakeholders. Secondly, an across-the-board intervention which requires an unfreezing of the old ways of managing the injury and disability system and applying a new approach will be valuable. This could involve a structural reorganization.

Several management structures may be used during the transition phase. However, in this study the most appropriate approach appears to be the use of a "project manager" and a "diagonal slice." The diagonal slice mode involves obtaining a representative sample of the various functions, locations, and levels, as opposed to formal representatives of units or groups. The group constituted by the diagonal slice will be elements of the program essential to the success of the plan.

In essence, much of the work of the Task Force to date has adhered to this suggested structure. The diversity of the membership of the Task Force will assist with the task of implementation if the task force is directed to do so by the Highway Patrol's Executive Management.

### **Responsibility Charting**

One of the final steps in transition management and planning involves the assigning of responsibility or action steps to key players. The decisions or actions necessary to carry out the transition are noted, and responsibility for action is assigned to each participant. The assigned actions include: responsibility, approval, support, and informing. Responsibility charting clarifies the behavior that is required to implement the desired change, reduces ambiguity, and limits wasted energy and unnecessary emotional reactions. Figure 4 is a Responsibility Chart illustrating the assignments for bringing about the change desired as a result of this study.

### **Team Building**

When a new transition structure such as a task force is established, there is a great deal of uncertainty about roles and expectations. Team building is a process or tool that may be employed to assist with the appropriate management of communication and the resolution of conflict. Team building is appropriate to apply under circumstances when a group is working toward a common goal. The process presents those involved with the opportunity to discuss uncertainties, anxieties and conflicts that are a natural part of the transition process.

# Actors

| DECISIONS   | EXECUTIVE MGMT. | TASK FORCE | DISABILITY & RETIREMENT UNIT | MGRS. | SERGEANTS | OFFICERS |
|---|-----------------|------------|------------------------------|-------|-----------|----------|
| Schedule Planning Meeting                               | I               | R          | N/A                          | N/A   | N/A       | N/A      |
| Assign Project Manager                                  | R               | I          | N/A                          | N/A   | N/A       | N/A      |
| Select Diagonal-Slice Organization                      | R               | S          | N/A                          | N/A   | N/A       | N/A      |
| Develop Training Program                                | A               | R          | S                            | S     | S         | N/A      |
| Establish Employee Development Program                  | A               | R          | S                            | S     | S         | I        |
| Implement Mgmt. System for Injury and Disability Claims | A               | R          | S                            | S     | S         | I        |
| Develop Program Guidelines                              | A               | R          | S                            | S     | S         | I        |
| Conduct Training  | I               | R          | S                            | S     | S         | I        |
| Program Evaluation                                      | A               | R          | S                            | I     | I         | I        |

**LEGEND**  
 A = Approval  
 I = Inform  
 R = Responsibility  
 S = Support  
 N/A=Not applicable

**FIGURE 4 - RESPONSIBILITY CHART**

## **Communication and Feedback**

Communication and monitoring of feedback are integral components of the management process. Monitoring feedback will allow the involved and committed managers to know the progress the organization is making toward the desired future state. The monitoring and evaluation of progress during the transition phase will be the responsibility of the project manager. As is the case with any project, the project manager must be vested with the authority to carry out the responsibilities of the project. The project manager will meet routinely with the key players, coordinate communications through all participants in this process, and report the status of progress to the executive management of the Highway Patrol.

## **Program Evaluation**

Formal evaluation of the progress of the transition is an element that cannot be overlooked. The use of monthly status reports will serve this objective and provide a means of ensuring that executive management is kept informed of progress and problems. The monthly reports will also serve as the basis for a final Project Evaluation which should chronicle the successes and problems encountered. This information will be useful to the Highway Patrol for evaluating its progress toward increased effectiveness in managing injury and disability claims. Likewise, the Highway Patrol should also learn from its own experience relative to project management.

## CONCLUSIONS AND RECOMMENDATIONS

This California Highway Patrol will continue to experience an increase in the number of disability claims and retirements between now and the year 2000. The focus of this study addressed the process of administering and managing the claims in an attempt to cope with the likely increase of claims. This narrow focus permitted a detailed examination of the issue, and suggested a number of strategies for improving the Highway Patrol's process of administering disability claims. The most significant recommendations involved management training and the enhancement of the work environment.

The role of law enforcement managers has been guided by traditional management theory which emphasizes process and the exercise of authority. This model of management ignores the people factors recognized by current management theory and practice. While improving and streamlining the processes in administering and managing disability claims will assure the timely and appropriate processing of claims, the root of the problem is overlooked. If law enforcement administrators hope to have a positive influence on the issue of disability claims and retirements, their training must place an emphasis on sensitivity to employee attitudes.

Employee attitudes are a product of a number of factors. Two significant factors in employee attitudes are the work environment and management's attitude toward the employees. Where management pursues a positive and constructive relationship with their employees, a positive work environment is established. The job itself is no longer the singular source of motivation. The job must now take on greater meaning

including social interaction and a sense of worth. We now also recognize that compensation is not the motivating factor it was once held to be. Experience in demonstrates that providing challenging expectations for our employees and recognizing their accomplishments and efforts is the foundation for motivation and creation of a positive work environment.

The challenge for law enforcement executives, in the future, will be to create a partnership, a team spirit, as a guiding value within the organization. Recent literature refers to this concept as the organizational culture. As the leaders of law enforcement organizations, executives have a responsibility to shape the agency's culture. This suggests then that police executives have the opportunity and power to influence the attitudes of their employees in a positive manner. The appropriate use of this influence will contribute to the agency's ability to constructively impact the issue of disability claims and retirements.

Looking to the future as it relates to the topic of disability claims and retirements requires that we step back and place the issue in the larger context of human resource management. Stepping back and looking at the larger picture permits us to recognize inter-relationships that might not be detected. Examining the broader issue may permit us to identify potential alternative solutions that otherwise might not be considered. Providing options to employees who may wish to separate from the agency is one alternative. This consideration is important for the not-too-distant future.

Is it unreasonable to look to the private sector for potential solutions? Absolutely not! Solutions are where we find them. Consequently, the successful law enforcement organizations of the future will seek appropriate solutions to its dilemmas from many legitimate sources.

The best source for solutions to our organizational challenges and problems may rest in the hands of the members of the organization--our employees. It appears that every issue we identify, including the management of disability claims and retirements, returns to the need for employee participation. Certainly, employee participation is not a panacea; it is a sharing that results in employees taking on the ownership of the organization's problems. The employees become problem solvers and productive in every sense of the term.

This prescription does not ignore problem employees who resist efforts by management to make them productive. The application of progressive discipline is a necessary and appropriate management tool in correcting and improving problem employee behavior. Simply because the problem employee files a disability claim should not in itself stop the application of appropriate disciplinary measures. Future managers will need the ability and confidence to separate the two processes. This will certainly require the setting of policy to address such circumstances coupled with a definitive training program for managers relative to the issue.

## **IMPLICATIONS**

The Highway Patrol is a highly specialized law enforcement agency. In some quarters, this specialization is blamed for boredom. Another point is that the

Department has taken on a number of technical programs related to its primary mission that seem to fragment management's appreciation and understanding of what is being done or accomplished. There are few points in the organization where programs come together. Overall authority and control of programs need to be vested in managers. For instance, managers should be responsible and accountable for all activities that fall under them, including related personnel issues. It appears that the more specialized managers become, the less responsible they are for managing. This is becoming particularly evident with respect to first-line supervisors. They do not possess the fundamental knowledge and skill to take appropriate action in personnel matters. In some instances, supervisors and managers lack commitment because over-specialization has not exposed them to general management or supervisory issues. They are not held accountable for the fundamentals of management. Consequently, only a narrow portion of the work situation is receiving managerial or supervisory attention. The implication for the management of injury and disability claims is that of being ignored because they are not priority matters and the manager lacks competence to deal with the issues surrounding claims.

Supervisory contact remains one of the most critical linkages in the department for staying in touch with those that are doing the job, delivering the service. Yet, the ratio of supervisors to Officers has been a source of contention within the Highway Patrol for at least 15 years. Productivity and overall effectiveness is a product of commitment, but it requires supervisory guidance and accountability. Another point of concern is that supervisors do not have sufficient contact with their personnel to identify potential problems far enough in advance so that preventive interventions may be applied.

The most obvious implication of this study is the need to train supervisors and managers to carry out their overall responsibilities. By improving the overall skills of managers we will also improve their skill and ability to manage injury and disability claims. Competent managers and supervisors will also be a powerful ally in creating the positive environment that the Task Force identified in its recommended policy strategy.

An implication which needs to be recognized and addressed is the difficulty and perhaps impossible task of changing people after they have been hired to fit the model desired by the organization. This observation questions our fundamental assumptions and basis about our current and future model of man. Certainly as demographics shift, so also must our "model of man." The evolving influence of women and minorities has had a profound influence on how we hire, train, retain and motivate our work force. This influence has created a "dynamic" rather than "static" model of man which imposes on executives and administrators the mandate to adopt an understanding and appreciation for the dynamics at work in the model. The successful organizations of the future will acknowledge and be able to adapt to both the diverse nature of their environments as well as the ever increasing dynamic model of man.

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL  
STATE TRAFFIC OFFICER TASK STATEMENT

1. Static Strength                      Extract a 200-pound victim from a vehicle; lift, carry and/or drag the victim 50 feet.
2. Explosive Strength                Exit vehicle, sprint 50 yards, vault 6-foot fence, run 20 yards up a 40% grade and apprehend suspect.
3. Dynamic Strength                Ascend a 200-foot steep incline utilizing rope or cable.
4. Trunk Strength                    Remove spilled loads or traffic hazards from roadway such as lumber, large rocks or sacks of heavy material.
5. Stamina                            After 100-yard chase, physically subdue and handcuff combative subject (*physical confrontation to last a minimum 3 minutes duration*).
6. Extent Flexibility                Change flat tire on patrol car.
7. Dynamic Flexibility              Wrestle combative subject under the influence of drugs or alcohol.
8. Speed of Limb Movement        Steer and brake a vehicle in an emergency situation.
9. Gross Body Coordination        Engage in high speed vehicle pursuit utilizing all emergency equipment.
10. Gross Body Equilibrium        Demonstrate field sobriety tests.
11. Arm-Hand Steadiness            Draw and fire weapon at target.
12. Manual Dexterity                Reload revolver, inserting cartridge with your nondominant hand.
13. Finger Dexterity                Extract shotgun shells from shotgun.
14. Near Vision                      Read required departmental publications and manuals.
15. Far Vision                        Distinguish registration indicia under adverse lighting conditions.
16. Visual Color Discrimination    Distinguish colors of vehicles and clothing of suspects.
17. Mobility                         Control the accident scene.
18. Hearing                            Immediately identify sounds which may indicate impending hazard and distinguish direction.
19. Effort                            Drive for extended periods of time under varied traffic and weather conditions.

**APPENDIX B**

**FUTURE WHEELS**

**Administration Management Disability  
Claims Retirements**

**Social**

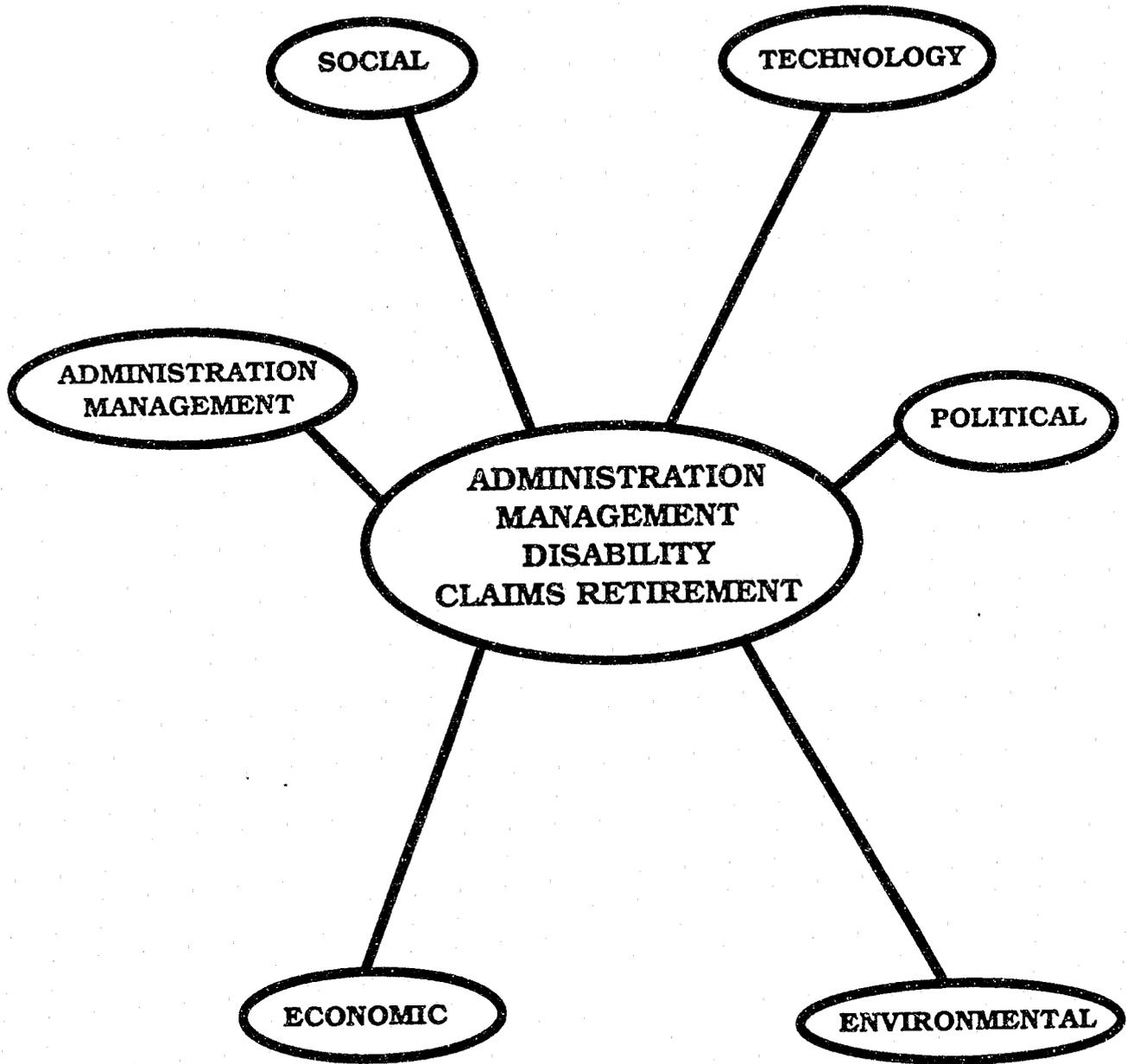
**Technological**

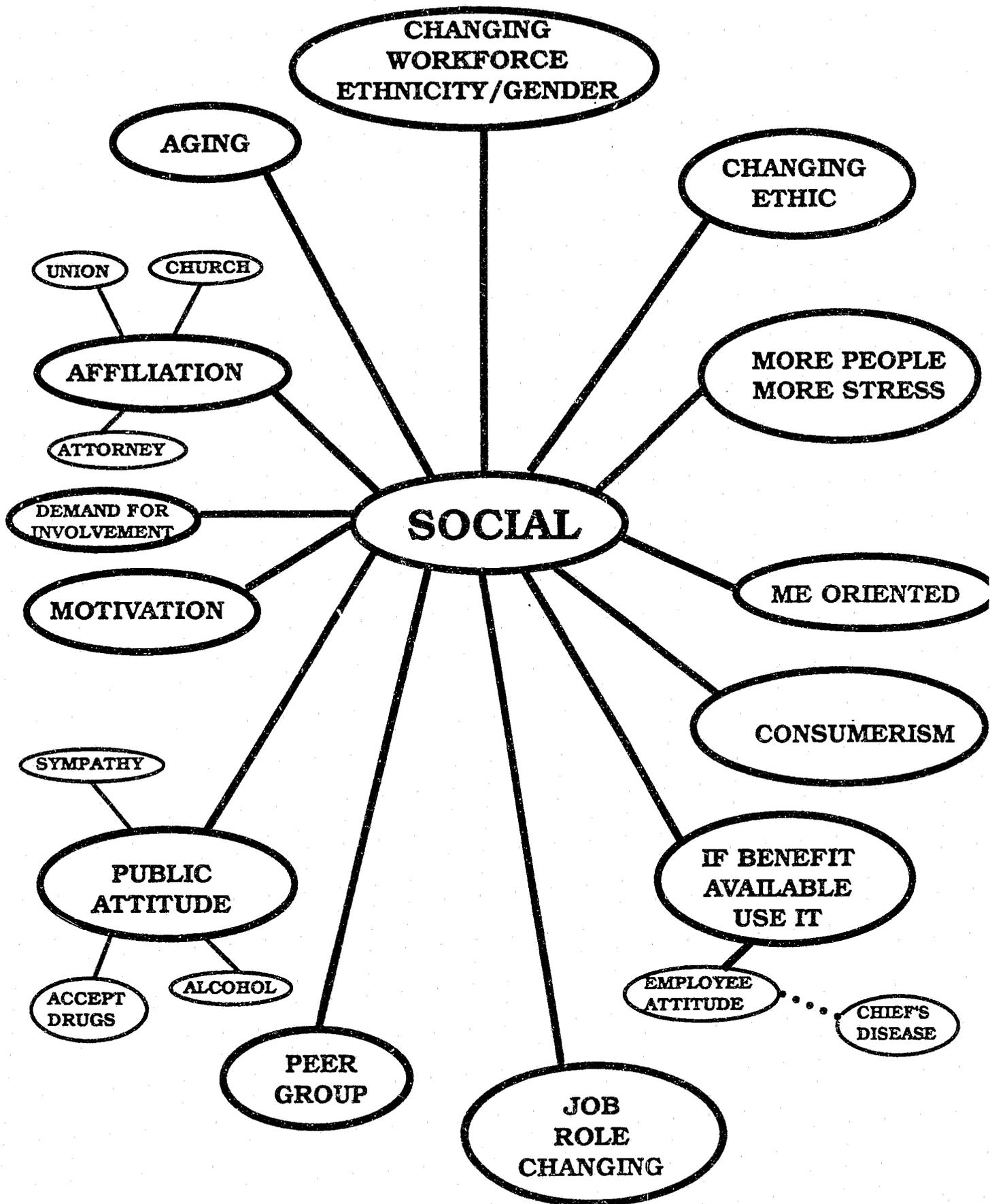
**Environmental**

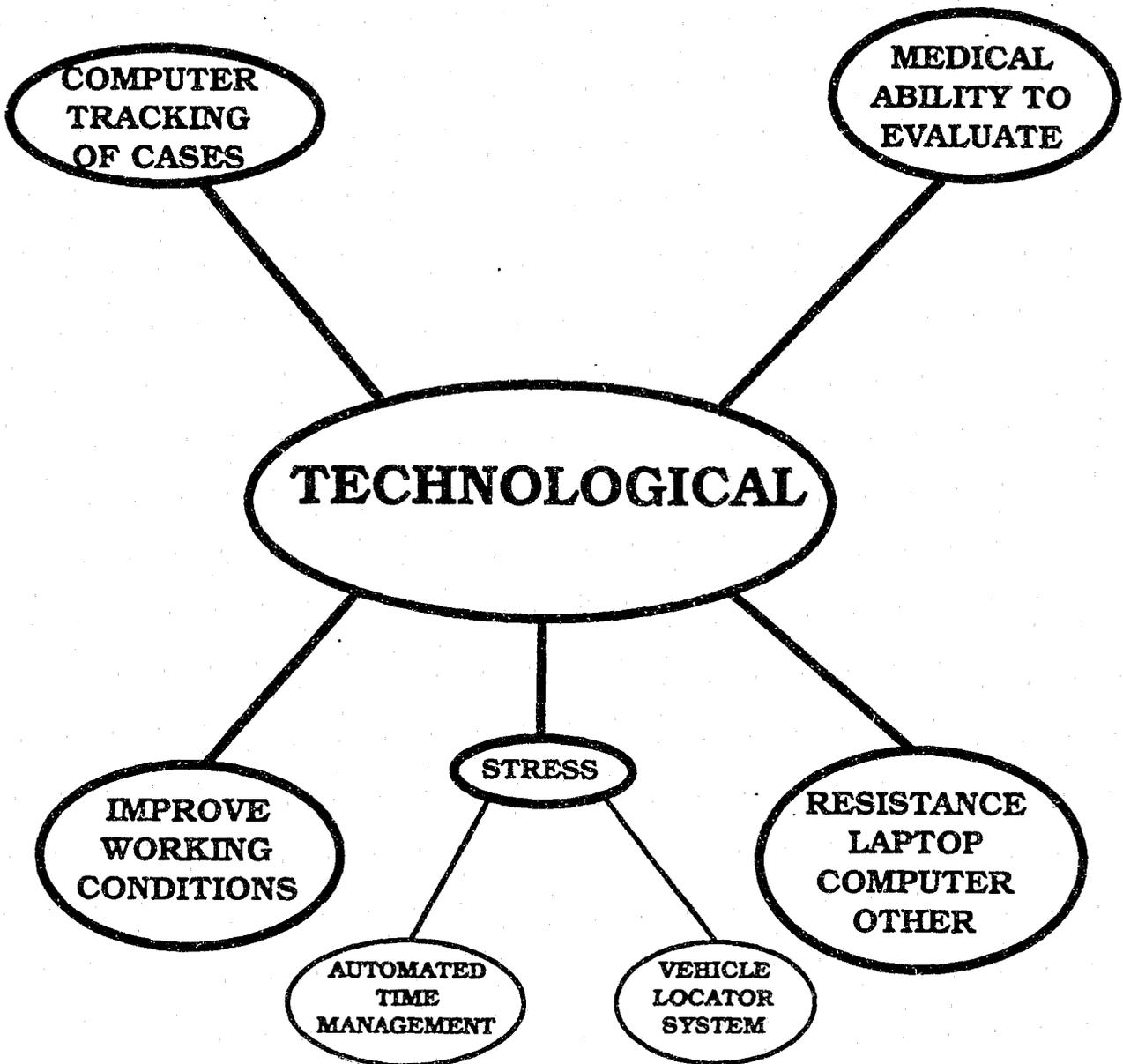
**Economics**

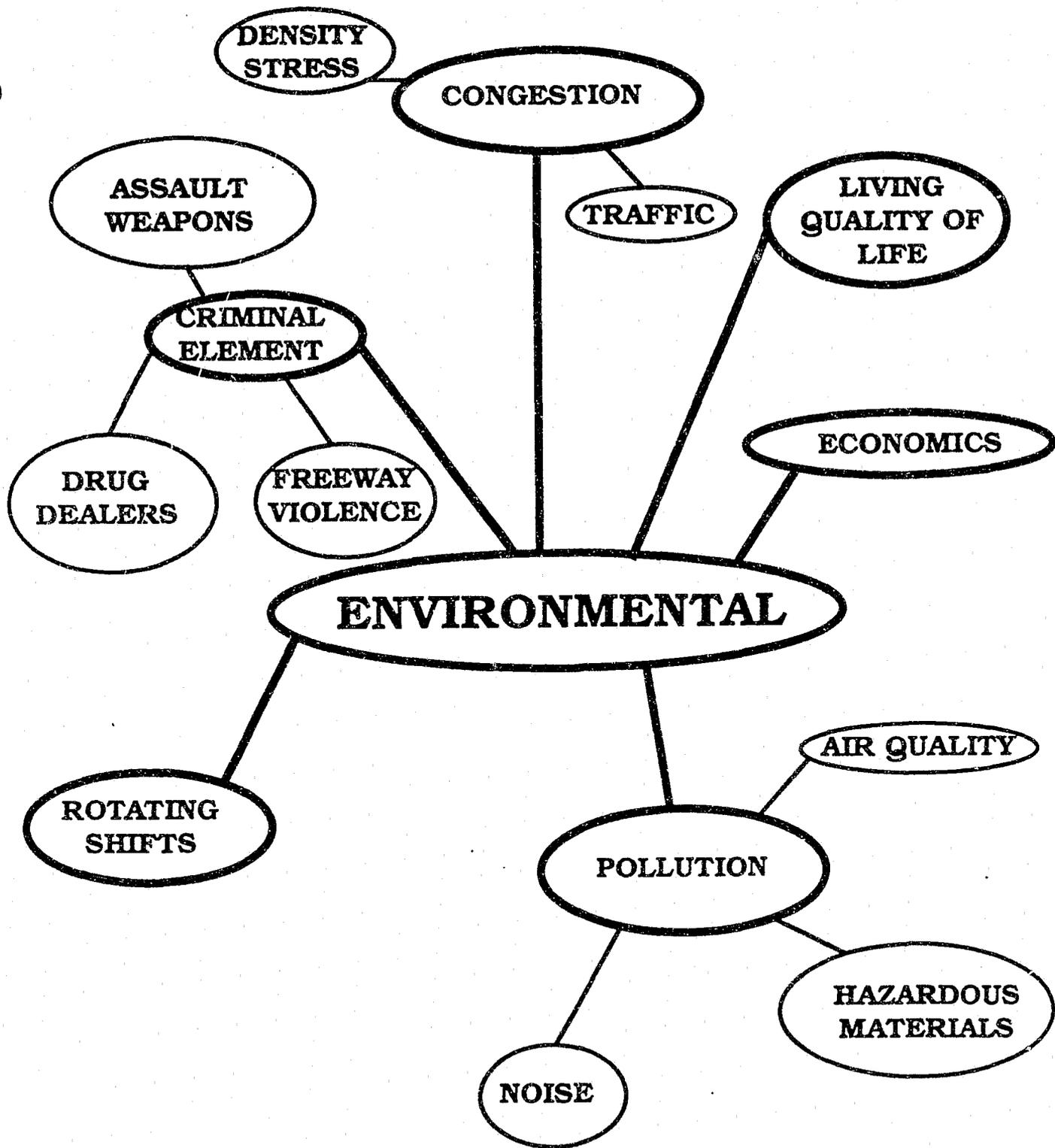
**Political**

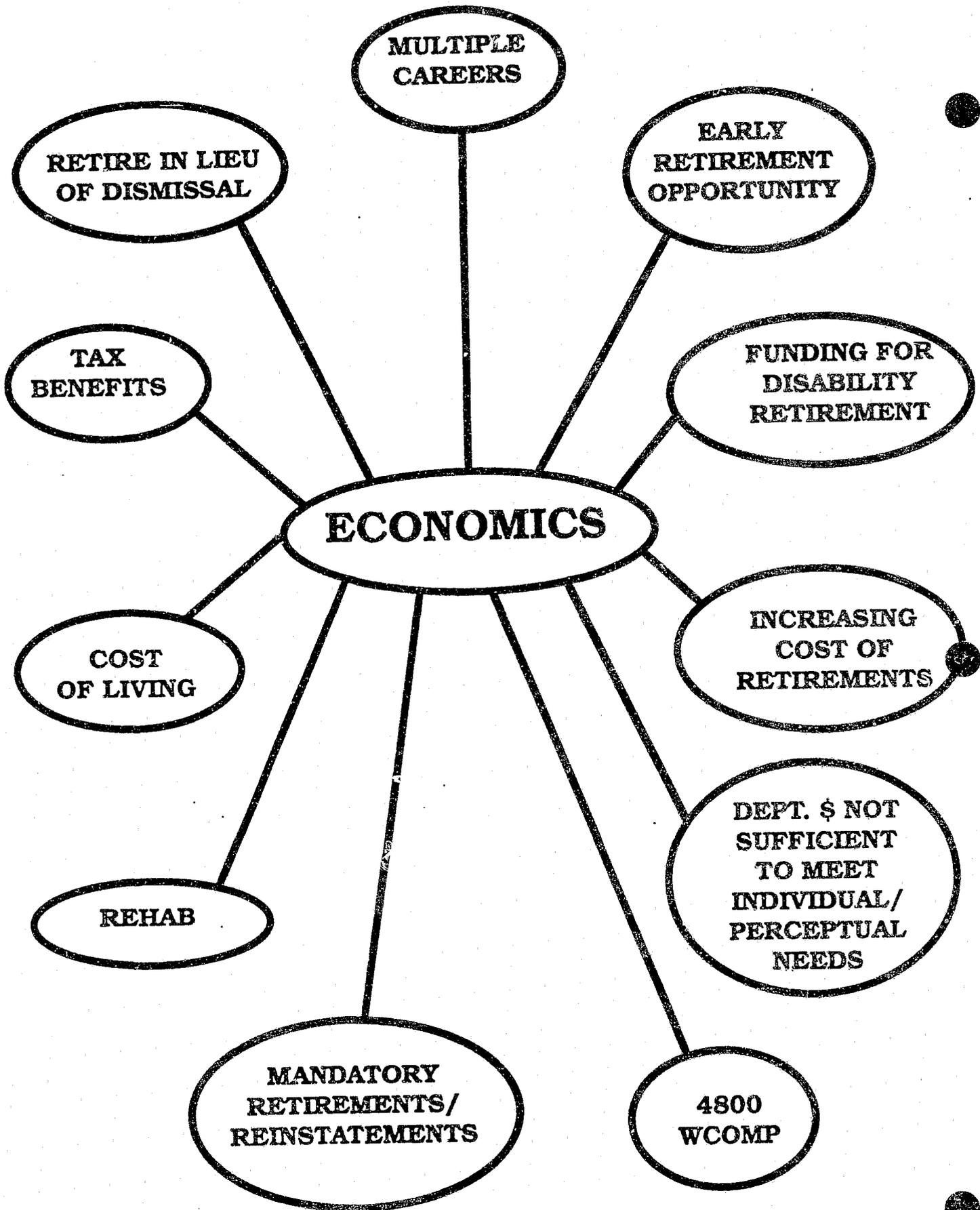
**Admin/Management**

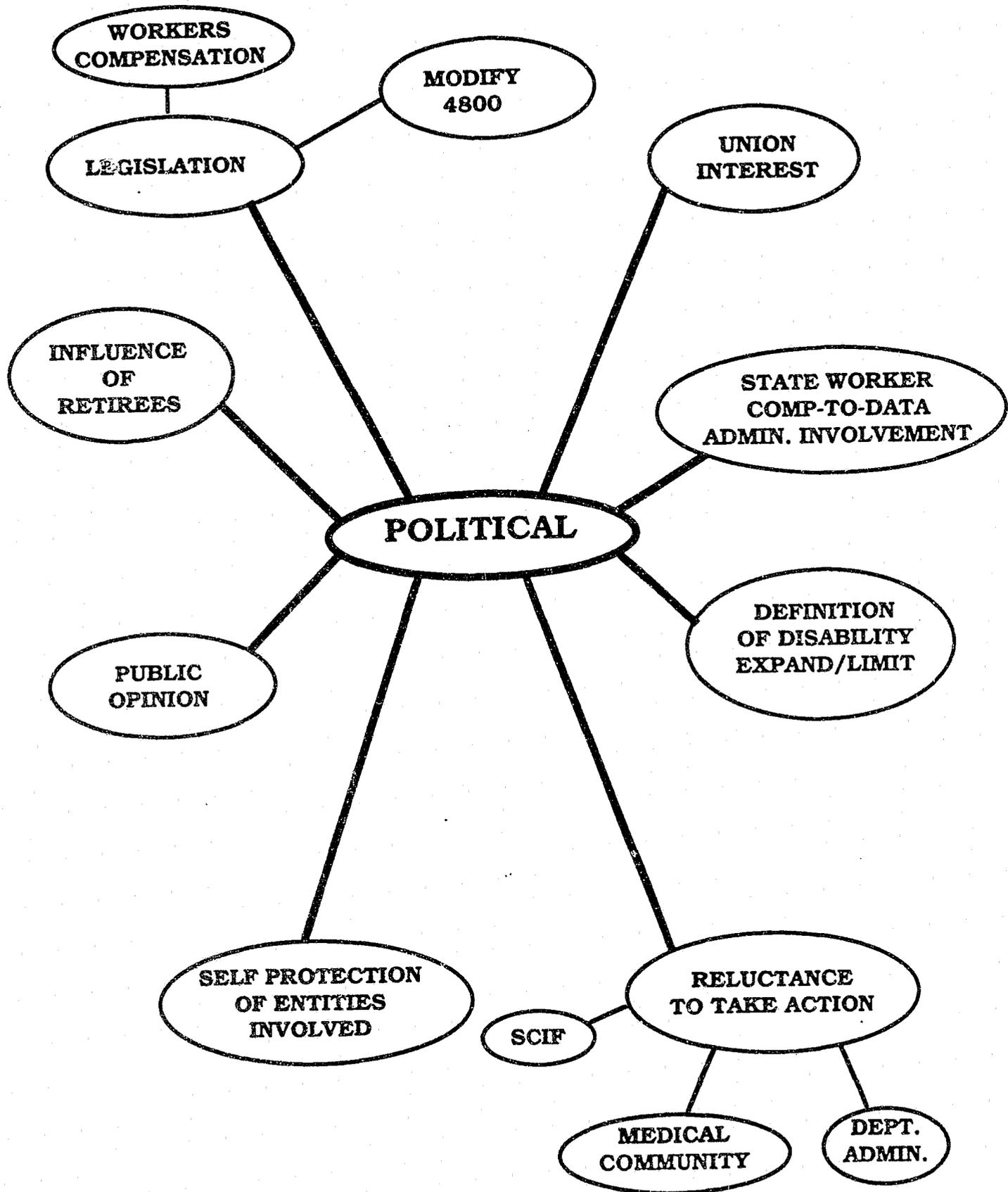


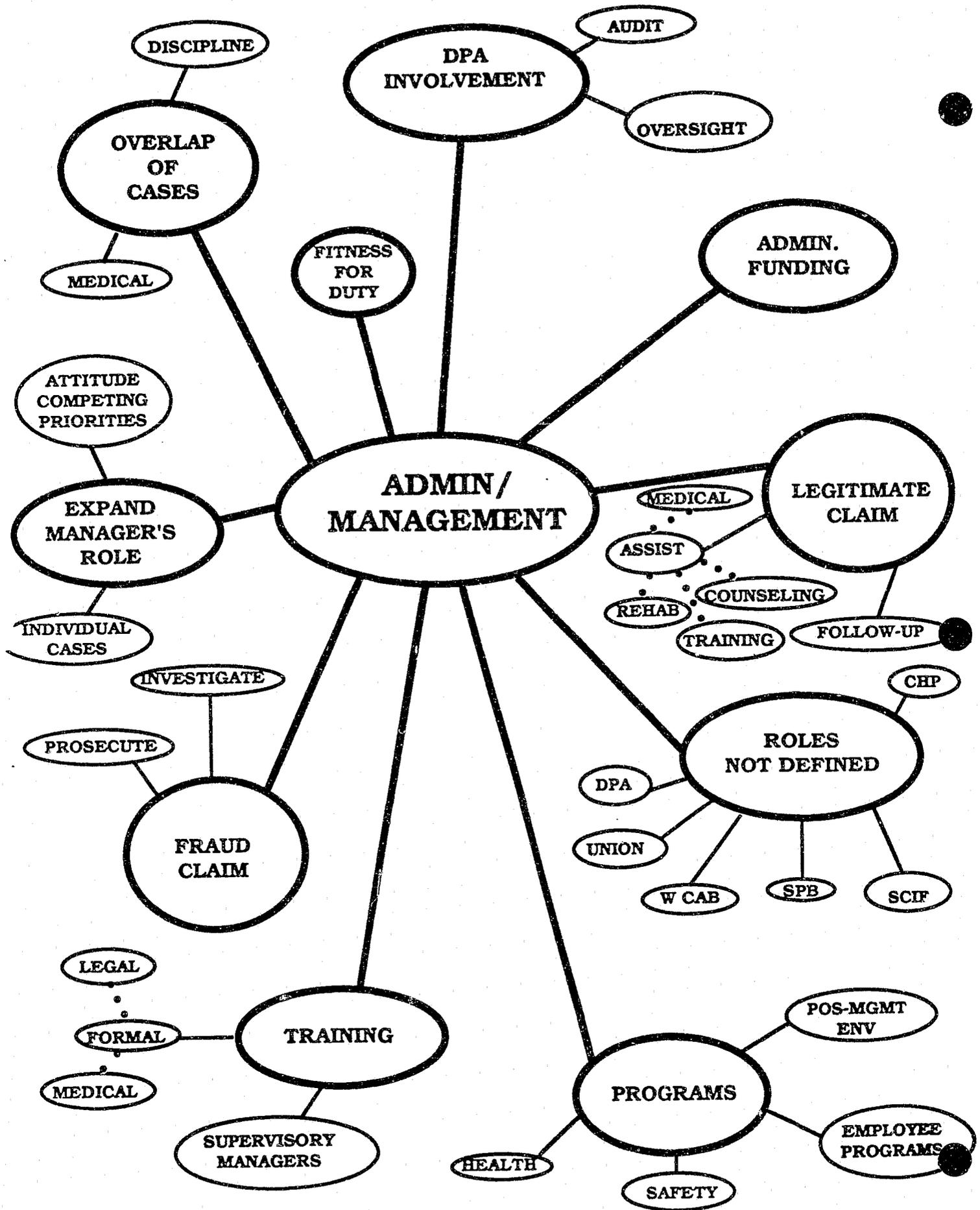












TRENDS CANDIDATE LIST

- Physical Ability of Recruits
- Cross-Communication in Department
- Staffing and Involvement of Disability and Retirement
- Staffing to Investigate Claims
- Empathy at All Ranks
- Rapid Changing of the Job
- Improved Safety Equipment
- Fitness Standards
- Computerization
- Ratio of Employees: Management
- Fewer Competitors for Promotion
- Occupational Safety Program
- Management Training and Development
- Employee Attitudes
- Claims Encouraged by State Compensation Insurance Fund (SCIF)
- Claims Encouraged by Legislation
- Employee Attitude Regarding Submitting Claims
- Hazardous Materials Awareness
- Communicable Disease Awareness/Exposure
- Employee Documentation
- SCIF Ability to Manage Workload
- Cooperation of Managers with SCIF
- Lack of Initial Involvement by Supervisors
- Ability to Manage Claims
- Perception Management Does Not Care
- Benefits
- Recruitment of Qualified Work Force
- Ability to Intake/Train New Employees
- Age, Sex, Rank of Claimants
- Medical Screening for Early Onset
- Claims Litigated
- Medical Profession Unwilling to Take Position

- Malpractice Liability
- Negligent Retention
- Political Desire to Change System
- Population Growth
- Departmental Acceptance of Status Quo
- Burn-Out, Morale, Work Environment
- Too Easy to Retire on Disability
- Drug/Alcohol Screening
- Drug/Alcohol Abuse
- Management Hesitant to Take Strong Hand
- Improved Medical Technology Eliminating Disabling Injuries
- Disability Claims (Fraud, Litigated, Age, Sex, Etc.)
- Public Perception of Safety Retirement
- Internal Perception of Safety Retirement
- Non-Uniformed Perception of Safety Retirement
- Us vs. Them (Management vs. Rank and File)
- Procedures/Support to Fight Fraud Claims
- Lack of Understanding of System by Management
- Post-Retirement Follow-Up
- Departmental Communication with Retired Employees
- Post-Injury Follow-Up
- Plea Bargaining - Adverse Actions, Retirement
- Safer Vehicles Required
- Vehicle Performance
- Multiple Careers
- Large Pool of Doctors, Lawyers Needing Employment
- Demands for Law Enforcement Services
- Political Issue - Control Costs
- Job vs. Career Syndrome
- Employee Awareness of Disability System
- Public Awareness of Abuses
- Filing of Claims to Avoid Discipline
- Fitness for Duty vs. Disciplining
- Frustration of Managers to Fight Claims
- Managers Inability to Act

### TREND SCREENING CHART

| CANDIDATE TREND  | For purposes of top-level strategic planning, how valuable would it be to have a really good long-range forecast of the trend? |              |                    |                  |               |
|--|--|--------------|--------------------|------------------|---------------|
|  | MOST HELPFUL   | VERY HELPFUL | MODERATELY HELPFUL | NOT VERY HELPFUL | LEAST HELPFUL |
| T1 Staffing and Involvement of Disability and Retirement   | 1  | 4            | 2                  | 2                |               |
| T2 Management Training and Development                     | 6  | 3            |                    |                  |               |
| T3 SCIF's Ability to Manage Workload                       | 1  | 3            | 3                  | 1                | 1             |
| T4 Disability Claims (Fraud, Litigated, Age, Sex, Etc.)    | 6  | 1            | 2                  |                  |               |
| T5 Employee Attitudes (Burn-Out, Morale, Work Environment) | 7  | 1            | 1                  |                  |               |
|  |  |              |                    |                  |               |
|  |  |              |                    |                  |               |
|  |  |              |                    |                  |               |
|  |  |              |                    |                  |               |
|  |  |              |                    |                  |               |
|  |  |              |                    |                  |               |
|  |  |              |                    |                  |               |
|  |  |              |                    |                  |               |

EVENTS CANDIDATE LIST

- Acceptance of Specific Medical Conditions
- Advent of Stress as Ailment
- Psychological Screening
- Effects of Inflation
- Medical Technology More Definitive
- Department Adjusts Own Cases
- Departmental Legal Staff
- Departmental Medical Staff
- Substance Abuse = Medical Condition
- Acceptance of Chiropractors
- Commanders Investigating Suspected Fraudulent Claims
- Commanders Managing Claims
- Removal of Earnings Test
- Eliminate Attorney Involvement
- Medical Retirement in Lieu of Termination for Cause
- Doctor Shopping
- Use of Robotics
- Traumatic Event Causes Loss of Job Interest
- Managers Eliminated from 4800
- Occupational Health Services Benefits
- Peer Counseling
- Budget Item for Disabilities Denied
- Loss of Height Standard
- Vocational Rehabilitation
- Enlistment Program
- Medical Screening
- Disability Fraud Investigative Program
- Fitness for Duty Exams
- Mandatory Reinstatement Rights
- Advertising/Solicitation
- Pig-in-the-Python

- Small Pig
- Incentives for Full-Term (Service) Retirement
- Mandatory Non-Sworn Jobs for Disabled Sworn Personnel
- Recruitment
- Assembly Bill 202
- 20-Year Retirement
- Gann Spending Limits
- Changing CHP Executive Management
- Employee Organizational Involvement
- Dills Act
- Skelly
- Legislation Modifies 4800
- Changes in Law to Permit Management of Cases
- Acceptable Off-Duty PPT Injuries
- PPT Program
- Workers' Compensation Unstable - Cannot Cover Retirements
- 4800 Tax Exempt
- Disability Insurance for Each Employee
- Elimination of Full-Time Limited Duty
- Development of Critical Tasks
- Department of Personnel Administration Management of State Compensation
- Acceptance of Women in Work Force
- Attitude of New Employees
- Economic Pressure
- Amborn Decision
- Reduction in Availability of Work Force

## CAPABILITY ANALYSIS - PART 1

## Instructions:

Evaluate each item, as appropriate, on the basis of the following criteria.

- I Superior, better than anyone else. Beyond present need.*  
*II Better than average. Suitable performance. No problems.*  
*III Average. Acceptable. Equal to competition. Not good, not bad.*  
*IV Problems here. Not as good as it should be. Deteriorating. Must be improved.*  
*V Real cause for concern. Situation bad. Crisis. Must take action.*

| CATEGORY               | I     | II    | III   | IV    | V     | AVERAGE |
|------------------------|-------|-------|-------|-------|-------|---------|
| Staffing               | _____ | 4     | 3     | 24    | _____ | 3.2 *   |
| Technology             | _____ | 2     | 9     | 20    | _____ | 3.4 *   |
| Equipment              | _____ | 4     | 6     | 20    | _____ | 3.3 *   |
| Facilities             | _____ | _____ | 15    | 16    | _____ | 3.4 *   |
| Funding                | _____ | 4     | 15    | 4     | 1     | 3.1 *   |
| Calls for Service      | _____ | 10    | 6     | 8     | _____ | 2.7     |
| Management Skills      | 1     | 10    | _____ | 12    | _____ | 2.6     |
| Supervisory Skills     | _____ | 10    | 3     | 12    | _____ | 2.6     |
| Officer Skills         | 3     | 10    | 3     | _____ | _____ | 1.8-    |
| Training               | 4     | 8     | 3     | _____ | _____ | 1.4-    |
| Attitudes              | _____ | 4     | 12    | 12    | _____ | 3.1 *   |
| Image                  | 2     | 14    | _____ | _____ | _____ | 1.8-    |
| Legislative Support    | 2     | 10    | 3     | 4     | _____ | 2.11    |
| Executive Support      | _____ | 10    | 3     | 12    | _____ | 2.6     |
| Growth Potential       | _____ | 12    | 3     | 8     | _____ | 2.6     |
| Management Flexibility | _____ | 4     | 6     | 20    | _____ | 3.3 *   |
| Sworn/Non-Sworn Ratio  | _____ | _____ | 18    | 12    | _____ | 3.3 *   |
| Salary Scale           | _____ | 8     | 9     | 8     | _____ | 2.8     |
| Benefits               | _____ | 10    | 9     | 4     | _____ | 2.6     |
| Turn-Over              | _____ | 10    | 12    | _____ | _____ | 2.4     |
| Community Support      | 2     | 8     | 9     | _____ | _____ | 2.1-    |
| Sick Leave Rates       | _____ | 4     | 15    | 8     | _____ | 3.0     |
| Morale                 | _____ | 6     | 6     | 16    | _____ | 3.1 *   |

\* THE HIGHER THE SCORE THE MORE CAUSE FOR CONCERN.

- THE LOWER THE SCORE THE BETTER THE ASSESSMENT.

## CAPABILITY ANALYSIS - PART 2

## Instructions:

Evaluate each item for your agency as to what type of activity it encourages.

- I Custodial - Rejects Change*  
*II Production - Adapts to Minor Change*  
*III Marketing - Seeks Familiar Changes*  
*IV Strategic - Seeks Related Change*  
*V Flexible - Seeks Novel Change*

| CATEGORY                  | I           | II          | III       | IV          | V           | AVERAGE      |
|---------------------------|-------------|-------------|-----------|-------------|-------------|--------------|
| TOP MANAGEMENT            |             |             |           |             |             |              |
| Mentality/Personality     | <u>5</u>    | <u>    </u> | <u>6</u>  | <u>8</u>    | <u>    </u> | <u>2.1 *</u> |
| Skills/Talents            | <u>3</u>    | <u>4</u>    | <u>6</u>  | <u>8</u>    | <u>    </u> | <u>2.3 *</u> |
| Knowledge/Education       | <u>3</u>    | <u>4</u>    | <u>3</u>  | <u>12</u>   | <u>    </u> | <u>2.4</u>   |
| ORGANIZATIONAL CLIMATE    |             |             |           |             |             |              |
| Culture/Norms             | <u>    </u> | <u>6</u>    | <u>15</u> | <u>4</u>    | <u>    </u> | <u>2.8 -</u> |
| Rewards/Incentives        | <u>    </u> | <u>8</u>    | <u>15</u> | <u>    </u> | <u>    </u> | <u>2.6</u>   |
| Power Structure           | <u>4</u>    | <u>4</u>    | <u>9</u>  | <u>    </u> | <u>    </u> | <u>1.9 *</u> |
| ORGANIZATIONAL COMPETENCE |             |             |           |             |             |              |
| Structure                 | <u>    </u> | <u>14</u>   | <u>6</u>  | <u>    </u> | <u>    </u> | <u>2.2 *</u> |
| Resources                 | <u>    </u> | <u>6</u>    | <u>12</u> | <u>8</u>    | <u>    </u> | <u>2.9</u>   |
| Middle Management         | <u>    </u> | <u>2</u>    | <u>18</u> | <u>8</u>    | <u>    </u> | <u>3.1 -</u> |
| Line Personnel            | <u>    </u> | <u>8</u>    | <u>9</u>  | <u>4</u>    | <u>5</u>    | <u>2.9 -</u> |

- \* THE LOWER THE SCORE - REJECTS CHANGE
- THE HIGHER - MORE ADAPTABLE - SEEKS CHANGE

# STAKEHOLDERS

| STAKEHOLDERS                               | ASSUMPTIONS  |
|--|--|
| 1. Department of Personnel Administration  | For Return to Work (Retain)  |
| 2. Public Employees Retirement System      | For Return to Work (Retain)  |
| 3. Unions                                  | Against Reforms  |
| 4. Highway Patrol Management               | For Reform that Favors Management Discretion   |
| 5. Officers                                | Better Benefits for Those Deserving (for Reform that Limits Fraud)                   |
| 6. Attorneys                               | Status Quo   |
| 7. Medical Profession                      | Status Quo   |
| 8. Insurance Companies                     | Reform (Salary Continuation Benefit)   |
| 9. State Compensation Insurance Fund       | Responsive (Same as Department)  |
| 10. Public (Snaildarter)                   | Keep Cost Down   |
| 11. Legislature                            | Constituent Benefit Cost Control   |
| 12. State Personnel Board (Snaildarter)    | Return to Work Issue   |
| 13. Allied Law Enforcement                 | Wait and See   |
| 14. State/Local Public Employees           | Oppose Loss of Benefits  |
| 15. Internal Revenue Service               | Tax Issues   |
| 16. Highway Patrol Supervisors (Sergeants) | Will Support Provided No Loss of Benefit and No Adversial Relationship with Officers |

## SUBCOMMITTEE REPORT RECOMMENDATIONS

1. Enhance the working environment to encourage all employees to realize their greatest professional and career potential.

- A. Conduct a comprehensive study to determine the extent of "Burnout" within the CHP. This would include evaluating previous disability retirements to ascertain if the burnout syndrome possibly contributed to the employee's separation. From this, develop a profile of a typical CHP officer suffering from the burnout syndrome. Provide an awareness of the burnout phenomenon throughout the Department, for both management and rank and file, utilizing Chief Swanson's study. Develop realistic and long term solutions to overcome the burnout syndrome.
- B. Develop a more positive employee attitude, incorporating peer pressure, toward unwarranted disability claims. Employees should not feel foolish if they refuse to seek unwarranted benefits since an unjustified disability can hurt co-workers more than it hurts the Department. Stress the use of other avenues to express dissatisfaction with the Department.
- C. Provide employees with an enlarged view of their career potential with the Department and with the State by such means as an ongoing identification of career ladders and rotational training to expose employees to a variety of assignments. Such actions should be structured to maintain employee enthusiasm for a State of California career and to enhance employee performance while with our Department.
- D. Liberalize leave-of-absence policies to provide for career growth.
- E. Pursue "Excellence and Quality" as a core value of the Department. Emphasize the recognition of the importance of individual contributions to the attainment of excellence.
- F. Work with interest groups:
  - o Unions.
  - o Legislature.
  - o Department of Personnel Administration.

2. Effectively manage disability injury claims.

- A. Develop checklists for commanders to use in verifying factual aspects of initial injury reports. This could include specialized check lists identifying who does

what, when, and why for separate categories of injuries (examples: the obvious work related traumatic case, the unclear traumatic case, presumptive disease case, other disease cases, claims related to adverse actions, and suspected false reporting). In addition, there would be a specified procedure for involving the SCIF when a background investigation is believed desirable after the verification process.

- B. Establish a program to impact claims growing out of adverse actions. Consider eliminating plea bargaining if the employee files a claim, developing joint SCIF/CHP special claim investigation steps, and encouraging legislative reform of employee injury cases related to disciplinary action.
- C. Improve communication with the employee when a presumption claim is filed for heart conditions or pneumonia. This could include advising the employee that we believe the case is "presumptive" and if the condition is medically confirmed, with no major non-work related factors, we expect SCIF acceptance of the case.
- D. Incorporating into the annual evaluations of supervisors and commanders a major topic based on effective handling of disability cases and employee welfare issues.
- E. Establishing a substance abuse prevention program. Potential steps; building on the messages already incorporated into the PPP. A positive and pro-active approach is suggested, perhaps patterned after the "It's Okay Not to Drink" concept.
- F. Revise the Departmental stand on injuries related to fitness training under PPP.
- G. Utilize new technology to reduce employee exposure to injuries and illness; possibilities include automation to reduce employee time spent in an enforcement action and perhaps the use of robotics when hazardous substances are known or suspected.
- H. Improve the Department's use of automation to document and analyze disability case data. In addition to automating the current Disability and Retirement Section data, enhancement of the MIS to facilitate the transmission of disability data is desirable.
- I. Establish a Departmental Disability Fraud Unit.
  - o Initially place the Unit within the Office of Internal Affairs, with consideration for expanding it to a separate Unit within the Office of the Commissioner at a future time.

- o Investigate all cases of apparent fraud, regardless of the extent of injury or disability claimed. Give priority to cases where employees have either filed injury claims for injuries that did not occur, or cases where employees claim injuries are job connected when they were caused by non-job related circumstances. Injury claims that are believed to be exaggerated or cases of employees obtaining disability retirements when eligible for service retirement would be better handled by other means. The Disability Fraud Unit would rely on prior screening of cases by Area/Section commanders and Disability and Retirement Section to identify cases for investigation.
  - o Investigation should concentrate on establishing whether or not the injury claimed is job incurred, rather than the extent of the injury and potential liability to the State Compensation Fund.
  - o Use "Sting" operations only in rare cases; when an investigation indicates a conspiracy by persons involved in the disability claims process to defraud the State. Consider, however, establishing a hotline similar to We-Tip for reporting instances of suspected abuse.
- J. Restrict fitness-for-duty examinations to minimize the cases of providing a disgruntled employee with evidence to obtain a disability retirement when one is not warranted.
- K. Eliminate further abuses of the disability and retirement system by management personnel with "Problem Employees."
- L. Procedures should be developed that ensure the following are accomplished:
- o Proper investigation and follow-up on all disability claims.
  - o Communication with SCIF doctors prior to their examination of injured employees.
  - o Assistance provided by Departmental representative to SCIF attorneys preparing for WCAB hearings.
- M. Ensure commanders and supervisors fulfill their responsibilities to maintain ongoing communication with disabled employees and emphasize a return to duty, either full or limited duty, if medically appropriate.

- N. Use sound management practices to provide timely identification of training needs for substandard employees.
  - O. Better manage claims through the use of a Disability Claim Investigation Unit when cases exceed capability of local command or there is abuse.
  - P. Vest the authority and responsibility for managing injury and disability claims with the local commanders.
3. Disability and Retirement Section to provide direct assistance to commanders.
- A. Evaluate and redefine the relative and proper roles to be played by the Disability and Retirement Section and by the line commands when dealing with disabled employees, SCIF, PERS, and other parties. Based on actual authority and responsibilities of the Section and commands, the adequate personnel and technical resources need to be identified and committed to accomplish injury program objectives, including the control of claims and costs. Elements could include:
    - o Decentralization of disability case coordination into each Field Division office; only a program core operation would remain at Headquarters.
    - o Identification of proper staffing levels for the disability program appropriate to the mission to be performed.
    - o Ongoing public relations contacts between commands and the various SCIF offices to be built and to maintain rapport, including interactions with claims' managers as well as the adjusting staffs.
  - B. Encourage Field Divisions to have the Disability and Retirement Section staff attend Area Commanders' Conferences at least annually to discuss the status of the injury program, including changes in procedures being contemplated and/or court decisions; a major compounding of such a discussion would be the opportunity presented for direct interaction with the various commanders. Related to this is the concept of a periodic video tape to be prepared by Disability and Retirement Section concerning injury and disability topics.
  - C. Work with SCIF to improve the medical evaluation process. This would include joint action involving the commands, Disability and Retirement Section, and individual SCIF offices to identify better consulting physicians. In addition, there is a need to define when agreed medical examiners are, and are not, to be used by SCIF.

- D. Establish a program to acquaint the Workers Compensation Appeals Board (WCAB) that the CHP is a Department rather than a collection of injured officers; an initial move might be to invite presiding WCAB judges to address an agenda topic at Division Area Commanders' Conferences.
  - E. Develop a comprehensive disability and retirement follow-up program to ensure claims are being managed properly.
4. Pursue legislative changes that would allow more effective management of disability claims.
- A. Establish an earnings offset by restricting combined earnings, disability award plus outside earnings, to no more than the top step of the employee's classification.
  - B. Require rehabilitation and redirection into new careers within State employment.
  - C. Legislation to improve desirability of service retirements.
  - D. Identify on an ongoing basis topics for collective bargaining and/or legislative action.
  - E. Explore a revised retirement concept which would provide an appropriate service retirement benefit after a set number of years, regardless of the age at the time of retirement. An example would be a 50% service retirement available after twenty years of service.
  - F. Explore the potential for all CHP retirements to be tax exempt as a means of removing the current incentive for older employees to seek an industrial disability retirement.
  - G. Seek a change in reinstatement rights to discourage disability retirements. One possibility would be to allow a mandatory reinstatement only within five years. Also, encourage dissatisfied employees to resign instead of filing for disability by adding a mandatory reinstatement right within three years after resignation followed by permissive right for two years.
  - H. Establish a program to allow for early retirements.
    - o Offer 20 years and out benefit.
    - o Utilize leave of absences.
    - o Provide post-service retirement planning and preparation.

- o Support education in unrelated fields after 10 years of service.
  - o Establish talent pool (encourage).
  - o Training and Development assignments.
  - o Career counseling.
- I. Increase benefits to totally disabled employees by establishing an earnings cap for other disabled employees, dependent upon percent of disability.
  - J. Reduce transactional costs of the disability and retirement system by reducing legal and medical involvement.
  - K. Eliminate presumptions for safety classes by requiring job relatedness to be medically verified.
5. Assure comprehensive training for managers and supervisors for operations and personnel management.
- A. Personnel and Training Division should conduct a training-needs assessment for managers and supervisors on the Disability and Retirement System.
  - B. Upon determining the needs, establish a statewide training program within six months instructing managers and supervisors on what their involvement should be in handling disability claims. This instruction should include how to recognize potential abuses to the system and how to obtain the maximum benefits for deserving employees.
  - C. A Disability and Retirement Manual should be written that would include the following information:
    - o Historical background of the Disability and Retirement System.
    - o Important case law affecting the employees' rights and management's responsibilities.
    - o Management's legal rights in the process.
    - o A flow chart on how claims are processed and time frames for processing.
    - o How SCIF interacts with the Department and a listing of what each agencies' responsibilities are concerning employee claims.

- o A step-by-step approach should be documented showing managers and supervisors what action is necessary at each step in the process. Action will vary concerning what type of claim has been submitted; obvious traumatic injury suffered at work, obvious injury suffered off work, but work related, and possible fraudulent injury claim.
  - D. Have an ongoing and extensive training program addressed at all supervisory levels in the Department and focusing on disability procedures and case handling involvements, the Department's philosophy and policy regarding disability matters, and managerial rights, responsibilities, and procedures when employees have disability cases.
  - E. Develop a training module for all levels of the Department explaining the purpose of the disability and retirement program.
  - F. Establish a program which borrows from the "One Minute Manager" concept of catching employees when they are doing something right; since there is an emphasis on adverse action, more attention should be paid to providing positive feedback to more employees.
  - G. Improve the ongoing contact between commands and disabled employees; such a program should have a positive orientation built upon advising the employee of what is happening, of getting answers for employee questions, and expressing concern about the employee's present and future needs.
6. Maintain Physical Standards.
- A. Evaluate the current Physical Performance Program to ensure it is continuing to meet the Department's needs. Injuries associated with the program dropped from 0.3 per employee in 1983 to 0.16 per employee in 1987. However, the Department continues to experience an increasing number of disability claims and retirements in spite of the benefits of the program. In 1978 the Department experienced 31 back and 29 cardiovascular disability retirements. In 1986 the numbers had risen to 38 back related and 29 cardiovascular disability retirements.
  - B. Consider relaxing the Department's strict policy for limited-duty assignments.
  - C. Utilize all available means of entry level screening of employees to ensure we obtain the best candidates available.

- D. Provide State time for physical conditioning maintenance. Presently, no State time is provided for the uniformed employee to maintain his/her physical condition in order to successfully complete the annual Physical Performance Program test. A large number of injuries experienced in connection with the PPP occur when the employee is maintaining his/her physical condition. Usually these injuries are unwitnessed, lending ease to falsifying or modifying the details of the injury. While the employee may claim he/she was acting within his/her fitness prescription, there is rarely any way to verify this claim. If State time were provided for physical conditioning maintenance, closer supervision would also follow, helping to ensure that policies were being followed, thereby reducing the number of injuries.
7. Use Alternate Insurance Service in lieu of SCIF.
- A. Develop a concept for a comprehensive health care approach which would provide across the board medical benefits, regardless of the nature or cause for the condition, and utilizing funding from workers' compensation, the employee health insurance program, and possibly other sources.

# MODIFIED POLICY DELPHI RATING SHEET

| FEASIBILITY              |  |
|--------------------------|--|
| DF Definitely Feasible   | No hindrance to implementation, no R&D required, no political roadblocks, acceptable to the public                           |
| PF Possibly Feasible     | Indication this is implementable, some R&D still required, further consideration to be given to political or public reaction |
| PI Possibly Infeasible   | Some indication unworkable, significant unanswered questions   |
| DI Definitely Infeasible | All indications are negative, unworkable, cannot be implemented  |

| DESIRABILITY        |   |
|---------------------|---|
| VD Very Desirable   | Will have positive effect and little or no negative effect, extremely beneficial, justifiable on its own merits               |
| D Desirable         | Will have positive effect, negative effects minor, beneficial, justifiable as a by-product or in conjunction with other items |
| U Undesirable       | Will have a negative effect, harmful, may be justified only as a by-product of a very desirable item                          |
| VD Very Undesirable | Will have a major negative effect, extremely harmful  |

## ALTERNATIVES

Alternative #1 (Enhance Working Environment)

|                             |                             |    |    |
|-----------------------------|-----------------------------|----|----|
| DF                          | <input type="checkbox"/> PF | PI | DI |
| <input type="checkbox"/> VD | D                           | U  | VU |

Alternative #2 (Manage Disability and Injury Claims)

|                             |                             |    |    |
|-----------------------------|-----------------------------|----|----|
| DF                          | <input type="checkbox"/> PF | PI | DI |
| <input type="checkbox"/> VD | D                           | U  | VU |

# MODIFIED POLICY DELPHI RATING SHEET

Page 2

## ALTERNATIVES

Alternative #3 (Disability and Retirement Unit Provides Direct Assistance)

|    |                             |    |    |
|----|-----------------------------|----|----|
| DF | <input type="checkbox"/> PF | PI | DI |
| VD | <input type="checkbox"/> D  | U  | VU |

Alternative #4 (Pursue Legislation)

|    |                            |                             |    |
|----|----------------------------|-----------------------------|----|
| DF | PF                         | <input type="checkbox"/> PI | DI |
| VD | <input type="checkbox"/> D | U                           | VU |

Alternative #5 (Encourage Full-Term Service Retirements)

|    |                            |                             |    |
|----|----------------------------|-----------------------------|----|
| DF | PF                         | <input type="checkbox"/> PI | DI |
| VD | <input type="checkbox"/> D | U                           | VU |

Alternative #6 (Provide Comprehensive Training)

|                             |    |    |    |
|-----------------------------|----|----|----|
| <input type="checkbox"/> DF | PF | PI | DI |
| <input type="checkbox"/> VD | D  | U  | VU |

Alternative #7 (Maintain Physical Performance Standards)

|    |                             |    |    |
|----|-----------------------------|----|----|
| DF | <input type="checkbox"/> PF | PI | DI |
| VD | <input type="checkbox"/> D  | U  | VU |

Alternative #8 (Develop Alternative Insurance Source)

|    |    |                             |    |
|----|----|-----------------------------|----|
| DF | PF | <input type="checkbox"/> PI | DI |
| VD | D  | <input type="checkbox"/> U  | VU |

## END NOTES

- <sup>1</sup>Daniel M. Weintraub, Workers' Compensation Overhaul Bill Narrowly ok'd by Assembly, Los Angeles Times, July 18, 1989, p.1-3.
- <sup>2</sup>Stephen Green, Workers' Compensation reformed bill signed, Sacramento Bee, September 27, 1989, p.A3.
- <sup>3</sup>E. Bernaver, J. Voss, D. Clement, et al., Final Report on the Validation of Physical Maintenance Standards for State Traffic Officers, 1984. State of California.
- <sup>4</sup>R. M. Fogelson, The Hidden Costs of Public Safety, (New York: Columbia University Press), 1984, p3, 59-66.
- <sup>5</sup>"State Retirement Systems Are Paving Excessive Disability Benefits," Auditor General of California, Sacramento, California, July 1984.
- <sup>6</sup>Gary R. Johnson, "Potential Futures of the Public Employees Retirement System," California Peace Officers Standards and Training, Command College, 1986, p.13.
- <sup>7</sup>Karel Swanson, "Success Without Promotion," unpublished, p.1.
- <sup>8</sup>Personnel Transactions Manual, California Highway Patrol, p.11-5.
- <sup>9</sup>California Workers' Compensation Appeals Board Rules Section 10900.
- <sup>10</sup>David W. O'Brien, B. E., J. D., California Employer-Employee Benefits Handbook, 6th ed. (Covina, CA, Winter Brook Publishing Company, 1981), p.10.
- <sup>11</sup>Ibid., p.4.
- <sup>12</sup>Ibid., p.6.
- <sup>13</sup>Ian I. Mitroff, Stakeholders of the Organizational Mind. (San Francisco, Jossey-Bass Publishing Company, 1981), p.10.
- <sup>14</sup>Roger Fisher and Scott Brown, Getting Together. (Boston, Houghton Mifflin Company, 1988), p.37.
- <sup>15</sup>Richard Beckhard and Reuben T. Harris, Organizational Transitions - Managing Complex Change, 2nd ed., (Menlo Park, California, Addison-Wesley Publishing), p.71,

<sup>16</sup>.Ibid., p.93.

<sup>17</sup>.Mitroff, op.cit., p.4.

<sup>18</sup>.Beckhard and Harris, op.cit., p.75.

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## **INTERVIEWS**

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