



CONCERRO™

Improving both your quality of life and your bottom line.™

**Tools of Engagement:
Improving Workplace Quality**
Element 1 of the Workforce Management Wellness Series

White Paper

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Tools of Engagement: Improving Workplace Quality

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About Concerro's Workforce Management Wellness Series

This white paper is the first element of the three-part **Workforce Management Wellness Series** from Concerro. To download the other two elements, please visit www.Concerro.com.

Ensuring consistent, peak performance from staff has always been an organizational necessity for hospitals striving to achieve high levels of quality care and patient safety while also successfully reducing costs.

Today hospitals need to address these constant operational challenges with renewed vigor and deliberate strategic efforts. Against the dynamic backdrop of uncertain healthcare reform, lower reimbursement rates, looming nursing shortages, a growing patient population that is older and sicker and a multigenerational workforce, hospitals that continue to struggle with vacancy rates, turnover and the quality and motivation of staff will not thrive.

Top Three Priorities of Hospital CEOs from *HealthLeader's Media Survey 2011*

- Quality / Patient Safety
- Cost Reduction
- Patient Experience / Satisfaction

This three-part **Workforce Management Wellness Series** presents leading practices for addressing these top priorities, including strategies and tools to:

- Increase staff morale, job satisfaction and discretionary effort
- Attract and retain the best nurses and nurse managers
- Ensure the right people are in the right place at the right time every hour of every day
- Enable staff to spend more time on patient outcomes and less time on "administrivia"
- Reduce expensive premium labor costs

The three elements of this white paper series share a common theme - using workforce management tools to improve quality of life and the bottom line - and each examines a slightly different subset of hospital workforce issues:

1. Tools of Engagement: Improving Workplace Quality - addresses quality of life practices that attract and nurture highly engaged, quality-focused employees.

2. The ROI of a Satisfied Health Care Workforce - examines workforce management strategies that enable hospitals to do more with less, satisfy the needs of a multi-generational staff, retain the best and the brightest talent and improve the bottom line.

3. Improving Hospital Reputation through Workforce Management - focuses on leveraging the interplay between workplace management initiatives, patient satisfaction and a hospital's reputation in the community.

Tools of Engagement: Improving Workplace Quality

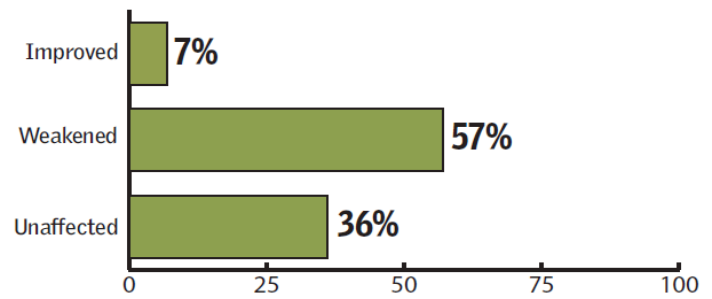
Executive Summary

There's a crisis today in the healthcare industry; a crisis of spirit. No matter what conclusions are drawn about the pros and cons of healthcare reform, it is having a psychological effect, as shown in a recent study in which 57% of all nurse leader participants acknowledged healthcare reform had already had a substantial impact on morale (see graph below)¹.

As healthcare reform begins in earnest and the extent of its impact becomes clear, healthcare organizations will need to place renewed focus on the morale of those individuals who are working so hard with so much less.

Since labor costs represent nearly 60% of a hospital's overall expenses,² workforce management plays a major role in achieving the dual goals of cost reduction and improved productivity. As a proven, cost-effective way to attract and retain motivated workers and increase morale, efforts to increase employee engagement will become a lifeline for hospitals, especially as economic conditions improve and competition for top talent increases.

Describe the impact healthcare reform is having on morale at your organization.



Among other employee engagement strategies, scheduling tools that give employees freedom to choose when and where they work are proving to be instrumental in raising quality of life and job satisfaction - both of which are critical to patient care and satisfaction, and ultimately, to improving the bottom line.

Becoming a World Class Employer

The challenge: Many people in today's workforce are "disengaged." In one study from Gallup³, only 30% of surveyed employees were considered to be "engaged," with 50% "disengaged." That's a lot of people putting forth minimal effort, doing just enough to keep their jobs.

Surprisingly, 20% of the employees in the same study were actively disengaged. According to the research, actively disengaged workers are the excuse-makers of the organization. They tend to stir things up and blame others for problems. Like disengaged employees, this group is a drain on the bottom line.

¹ Results from HealthLeaders Media Industry Survey 2011, Nurse Leaders.

² American Hospital Association, Cost of Caring, 2010 report.

³ Gallup Consulting, "Employee Engagement: What's Your Engagement Ratio," 2010.

Gallup found a complete reversal in “world-class” organizations, where 63% of employees were engaged, 29% were disengaged, and only 8% were actively disengaged.

Not surprisingly, this pattern of disengagement is mirrored within the healthcare industry. According to many studies, nurses are three to four times more likely to be dissatisfied with their jobs than the average U.S. worker (with nurses age 44+ four times more dissatisfied than the national average).

Several studies report that most of the variability in job satisfaction is explained by working conditions (see box), with salary/benefits contributing little.⁴

Quality-of-Life Factors Affecting Job Satisfaction of Hospital RNs

- Supervisory support
- Work group cohesion
- Distributive justice
- Organizational constraints
- Work-to-family conflict
- Workload

Putting Quality of Life First

Quality of care, safety and patient satisfaction are obvious priorities to the healthcare industry. Despite these imperatives, in troubled times, many hospitals opt to reduce the size of their workforce to save costs. According to an April 2009 study by the American Hospital Association (AHA), nine out of every ten hospitals in the survey reported they had cut back on expenses to address economic concerns, and nearly 50% reduced staff.⁵

Though hospitals experienced unusually low staffing problems during the recent economic downturn, the improving economy and job market will likely increase voluntary turnover rates as the best and brightest nurses leave for greener pastures. Fewer nurses will be competing for the same number of jobs, and hospitals that cannot attract and retain top talent will lose out.

No matter what else healthcare reform has in store, one thing is clear: Top-performing hospitals will reap rewards and low performers will suffer penalties. Becoming a top performer in light of an aging workforce, a looming shortage of nurses and stronger competition for both employees and patients will not be easy, nor will traditional strategies be as successful as in the past.

Becoming a “destination workplace” is one way hospitals can survive in this rocky environment. Tools that simultaneously improve quality of life, employee engagement and productivity are one proven strategy for becoming a more profitable - and hospitable - hospital.

⁴ Robert wood Johnson Foundation. “Multiple Factors Affect Job Satisfaction of Hospital RNs.” Feb 2007.

⁵ American Hospital Association, “The Economic Crisis: The Toll on the Patients and Communities Hospitals Serve,” 2009.

Satisfied Staff Leads to Satisfied Patients

Under new healthcare reform initiatives, reimbursements will be determined, in part, by patient satisfaction scores, which are clearly related to employee satisfaction.

- Gallup reports a strong link between employee engagement and patient satisfaction: “As organizations improve their engagement levels, there is a positive linear relationship with growth in patient satisfaction and loyalty.⁶”
- Purdue University researchers found a direct link between worker satisfaction and customer satisfaction and between customer satisfaction and financial performance.⁷
- A March 2011 study by Elizabeth H. Bradley, M.D. published in *The Annals of Internal Medicine*, concurs. Bradley and other researchers visited 11 hospitals, half ranked in the top 5% and half in the bottom 5% based on mortality rates for heart attacks. After conducting more than 150 comprehensive interviews from all areas and job categories of each hospital, they discovered the culture of the hospital had more impact on mortality rates, including communication and support of staff, than more traditional factors such as patients’ income levels, affiliation with a university, number of beds or location.

Work/Life Schedule Flexibility Trumps Salary

Workgroup cohesion and equitable assignments make the work environment more productive and collaborative. Hospitals can foster greater staff satisfaction by providing choice, flexibility, and transparency in scheduling. This leads to better quality of life for staff, managers and patients.

According to PricewaterhouseCoopers, organizations that pay attention to work/life balance for physicians and nurses will also have a competitive edge in recruiting and retaining the best and the brightest. The same report states that work/life balance is the biggest influencer of how medical students pick a specialty, and that working conditions and schedules are the greatest influences on overall job satisfaction among nurses, with salary only third place.⁸

It’s clear that physicians and nurses want to drive the terms of their employment, and hospitals that provide scheduling options and integration of flexible work arrangements into their staffing models will thrive.

Many hospitals in this brave new world of healthcare are stepping up to the challenge and are experimenting with new ways of engaging their workforce by implementing practices that heighten job autonomy and ownership. One workforce management practice that improves quality of life (and the bottom line) is open shift management, which can be used as a standalone tool or integrated with scheduling solutions.

⁶ John Commins, “When Average Isn’t Good Enough,” *HealthLeaders*, April 2011.

⁷ Purdue University at www.incentivecentral.org/pdf/employee_engagement_study.pdf

⁸ PricewaterhouseCoopers Health Research Institute report, “What works: Healing the healthcare staffing shortage,” 2007.

Best Practice: Open Shift Management

Main Line Health, a five-facility healthcare system in suburban Philadelphia, is one of many healthcare institutions that have implemented an open shift workforce management solution to improve employee engagement and quality of life.

Using an online “Software as a Service” solution, nurses can view a complete listing of available shifts that match their qualifications and synch them up with their own availability dates and the preferences of their families. If they want to pick up extra shifts in other Main Line facilities in nearby communities, that’s possible too, with manager pre-approval. Staff members are categorized by competencies to ensure the most qualified clinician with the most appropriate expertise is assigned to a given shift.

By heightening awareness of staffing needs, nurses are given the opportunity to work on new units where they are qualified, which helps them gain valuable experience and encourages them to expand their education and accreditation to further their careers. Providing career development support and opportunities to advance their skill sets through unit cross-training increases quality of life, boosts retention, and maximizes human resource management for the hospital.

Open shift management has vastly changed the nursing landscape at Mainline Health from a mind-numbing exercise of phone calls and manual scheduling to a process that encourages a closer partnership with nurses and gives them freedom to manage their own time and the flexibility to schedule work around family and personal life.

When management can more intelligently and more appropriately schedule a nurse or technician to be in the right place at the right time, they’re setting themselves up for greater success and ensuring that all standards of care are appropriately maintained.

These new processes have produced financial benefits as well. Conservative estimates indicate that each of Main Line’s 85 nursing and medical staff managers individually save an average of five to six hours a week on scheduling minutia, which roughly translates into an annual savings of more than 22,900 hours of nurse manager time or approximately \$1.97 million per year in reduced management labor and outbound scheduling calls that don’t have to be made.



Appendix 1 - Strategic Benefits of Open Shift Management

- Employees can view schedules, request desired shifts and monitor their hours from any Web browser at home, at work or on the go.
- Incentives and bonus pay are more cost-efficiently managed and focused on those areas where the greatest needs exist.
- The professional resource pool can be cross-trained and shared among multi-facility locations to meet the requirements of a variable patient census.
- Shift managers are easily able to balance and redeploy employees in nursing, respiratory, radiology, laboratory and therapies through a convenient, easy-to-use Internet-based dashboard.
- Required skills for specialized shifts are more readily available to improve and maintain safety and QI standards while reducing premium labor costs.
- Many of the outbound telephone calls for shift scheduling of employees, contractors and agencies are no longer necessary, since a majority of the open shifts are filled automatically.
- Managers save five to six hours per week on staffing and scheduling tasks, and this produces a potential savings of millions of dollars per year for a typical hospital in reduced management labor and lower outbound telephone costs.
- Premium labor expenses from overtime, contractors and outside staffing agencies can be cut significantly to save millions of dollars per year for the average hospital.
- With online open shift selection, a hospital can evolve into more of a world class “employer of choice” for nurses and clinicians, due in part to the flextime, work life freedom and greater variety of interesting assignments.

For more information, please visit our website at www.Concerro.com

