

Improve the Workplace Partnership

In order to solve the workforce crisis, individual hospitals need to recruit new employees into the organization. But the overall situation will not improve if employees leave organizations as fast as new workers are hired. Retention is just as important as recruitment.

Employees leave organizations for many reasons, but most often because their individual needs are not being met. Their needs may be as fundamental as compensation and benefits, or more complex such as recognition, opportunities for professional growth, career advancement, the quality of supervision, or the ability to have a schedule that corresponds to personal needs. If each employee's contribution is not appreciated and recognized, it is unlikely he or she will be a long-term worker.

Today, working in organizations must be a partnership between the employees and the employer. While the employing organization has legitimate needs, including fulfilling its mission and maintaining economic viability, equally important is having a workforce committed to these same goals. That commitment will only occur if the organization follows contemporary human resource practices that include active dialogue with employees, an understanding of their needs and desires, and a diligent effort to respond to those needs.

Certainly the employee-employer relationship has the potential for tension because maximizing employee interests may not maximize the organization's interests. However, strong employee-employer partnerships can be built where there is a balancing of needs and a desire to create an environment that benefits both. The Commission recognizes that in some hospitals groups of workers are members of unions or other forms of employee representation. Where unions are present, the partnership between employees and employers expands to include the employees' legitimate representative.

Unfortunately, too many in today's hospital workforce are expressing genuine dissatisfaction about working in hospitals. Aon Consulting's Loyalty Institute and the American Society for Healthcare Human Resources Administration (ASHHRA) have studied employees at work in health care and employees in the general economy. The Aon work uses a Performance Pyramid™ to understand how organizational attributes influence employee commitment (see sidebar: Aon's Performance Pyramid™). Their findings show that many hospitals fail to meet the expectations of their employees far more frequently than employers in other industries do.¹

The Challenges

Challenge 1

Many hospital workers do not feel valued.

Challenge 2

Hospitals must have qualified and capable supervisors and managers in order to have satisfied and long-term employees.

Challenge 3

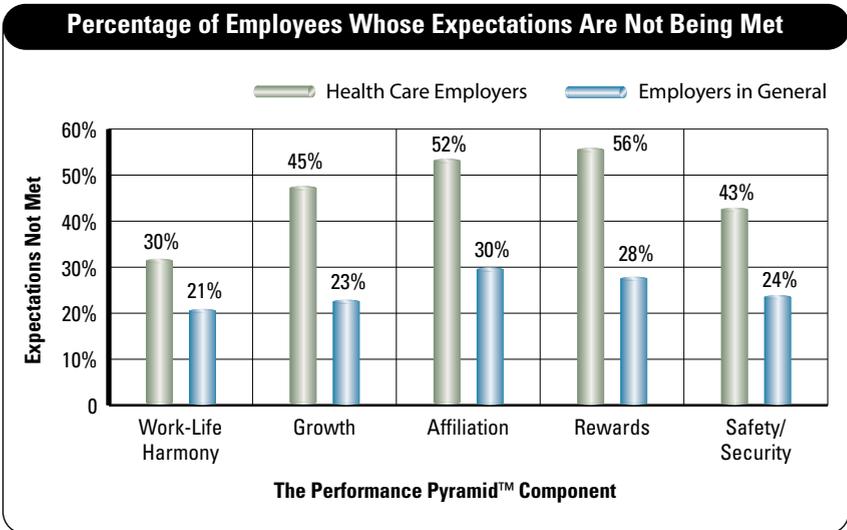
Hospitals need to retain their current and new workers.

Challenge 4

Hospitals must develop rewards for workers that reflect their high value to the organization.

Challenge 5

Hospitals need to improve human resources management and processes.



Hospital leaders need to determine the unique opinions of their workers and design specific human resource strategies to respond. As part of the response, hospital leaders need to recognize that there are significant differences between the generations, and that an increasingly diverse workforce has legitimate cultural differences that need accommodation.

An effective employer-employee partnership can occur if hospital workers can provide reasonable input into the future of their organization and have the ability to influence its direction. Strong, contemporary, and participatory supervision and management are essential to success.

AON'S PERFORMANCE PYRAMID™

Aon Consulting's worldwide investigation of worker commitment focuses on the controllable factors and conditions that organizations can use to increase employee commitment.

Meta-analyses of the responses of more than 60,000 people led Aon to develop a pyramid of commitment needs in the modern employee/employer relationship. The Performance Pyramid™ asserts that needs at the foundation (beginning at Safety/Security) must be met before attending to those higher levels (ending at Work/Life Harmony).

The five levels of workforce needs, as shown in the Performance Pyramid™, are:

Safety/Security. Along with a physical sense of well being, there must be a psychological belief that the environment is safe from fear, intimidation, or interpersonal treatment that is threatening. Though change is accepted as a constant in today's workplace, a belief that change will radically disrupt the employment relationship will accentuate the basic need for security.

Rewards. Compensation and benefits have been shown for years to be the major reason people take jobs. It is also commonly accepted that their motivation and commitment power increasingly diminishes once the candidate becomes an employee. Because of this, it has been stated that these items have come to be seen as "entitlements," not motivators. The Performance Pyramid™,

however, places rewards as a fundamental foundation that must be in place before higher level needs become commitment drivers.

Affiliation. Belonging that includes being "in the know" and "part of the team" is key at this level. Being part of something larger than oneself has been understood as part of human psychology for decades and translates into being more than just a "worker" when on the job. Successful cultures strengthen this natural need to belong and thus encourage the individual to be a strong contributor. Leaders who communicate a strong sense of mission, vision, and strategy enable the need for affiliation to be met.

Growth. Employees want opportunities to change, learn, and have new experiences on the job. The @Work studies have shown that this level is not only about individual growth, but a desire for the organization to grow and change in its work processes, products, and its ability to satisfy customers. Employees also want their work team to improve in efficiency, effectiveness, quality, and productivity. The overall need at this level can be characterized as achievement, whether that success is seen as taking place within the individual, the work group, or the overall organization.

Work/Life Harmony. Similar to the idea of individual self-actualization, employees want to reach their potential both on the job and in other facets of life.



Challenge 1

Many hospital workers do not feel valued and discourage others from entering health care.

STRATEGIC RECOMMENDATION

Hospital and health system leaders, including governing boards, executives, managers, and physicians – must create a culture in which all workers feel valued.

ACTUAL RECOMMENDATION

Increase the ability of employees to be heard by decision makers at all levels in the organization.

Example: The nursing shared governance model of St. Mary's Hospital Medical Center in Madison, WI, requires managers to share decision making, information, and accountability with their staffs and to become facilitators. The hospital shares as much information with staff as possible to help them with their role in decision making, from data on financial trends to strategic and legislative initiatives. Staff nurses have a voice in the hospital's strategic planning process and in responding to areas of dissatisfaction with their work environment. The hospital's social work, pharmacy, and rehabilitation staffs have also adopted this

model. Contact Vice President for Patient Services Joan Ellis Beglinger at Joan_Beglinger@ssmhc.com or (608) 258-6735.

Example: Suburban General Hospital in Pittsburgh is creating a "shared leadership" culture aimed at fostering a positive environment for staff and employees. Two staff committees – a clinical council and a work-life council – focus on ways to promote high-quality, patient-centered clinical practice and bolster staff morale. The hospital's human resources and operations executives serve as liaisons to the employee councils, helping to remove barriers if necessary. In the past year, employee turnover has fallen from 25 percent to 15 percent. Contact President/CEO Frank DeLisi at (412) 734-6000.

Example: Baptist Hospital in Pensacola, FL, has seen its turnover rates drop significantly since implementing internal communications initiatives in 1996. Employee forums are conducted quarterly by the administrator with staff on all three shifts three or four times a year. These meetings provide financial, patient satisfaction, and quality updates, as well as offering employees a chance to give feedback directly to the administrator. It is part of a "no secrets" culture. Employees are also involved in peer interviewing to help with quality hiring decisions. Contact Jan Pressley at jpressley@bhcpns.org or (850) 469-2335.

Insight: In prior years, many health care workers trained in hospital-based programs, and students may have been socialized informally to expect limited involvement in institutional decisions. As training programs have moved to community colleges and universities, students are socialized to expect involvement in institutional decisions.



Insight: Generations X and Y have high expectations for participation. Failure to meet this expectation is a major negative for any organization.

Insight: “The data [on registered nurses in New Jersey, information technology workers in Washington State, and engineers and technicians at Boeing] paint a picture of a group of individuals who are happy with and highly committed to their professions but often dissatisfied with their working conditions. The opportunity to make a contribution is what they value most in their professional lives, but workday matters, such as salaries and benefits, are what they believe need the most improvement.

They often hold negative stereotypes about unions but offer conditional support for these institutions, especially where there are professional frustrations or problems with management. They want to work collaboratively with their managers, but it is only in the most organized professions – teaching and nursing – that a majority feels that a process exists for discussion of both individual and group concerns with management. Whether or not they want a union, they share a desire for the organizations they join to serve their professional needs and interests, including providing them with access to professional training and helping them improve the quality of the services they provide.”²

ACTICAL RECOMMENDATION
Help employees develop the skills necessary to understand and participate in discussions of organizational issues.

Insight: Not all employees want to participate in discussions of organizational issues, but, for those who do, effective participation requires

the employee to have the background and knowledge necessary to participate. It is offensive to workers to exclude them because “they don’t understand.” It is more beneficial to establish training programs that provide employees with the knowledge necessary to participate in the discussion on an informed basis.

ACTICAL RECOMMENDATION
Routinely measure worker perception of the organization’s culture, including its respect for employees.

Insight: Hospitals are using a number of vehicles to increase communications, including surveys of worker views conducted at least annually, face-to-face forums with senior executives, employee e-mail, and town hall meetings. Of particular importance is ensuring that workers assigned to evenings, nights, and weekends have the same opportunity for input as those who work during weekdays.

Challenge 2

Hospitals must have qualified and capable supervisors and managers in order to have satisfied and long-term employees.

STRATEGIC RECOMMENDATION

Measure, improve, and reward the capabilities of front-line managers. They are key to the retention of satisfied, long-term employees.

TACTICAL RECOMMENDATION

Evaluate the core competencies of first-line supervisors and provide education and mentoring to increase skills, along with the time needed to perform supervisory functions.

Example: New Hanover Regional Medical Center in Wilmington, NC, has developed “The Buddy System” to improve morale and help employees accept change. Supervisors throughout the hospital must attend the training and choose a staff member who reports to them and is respected by co-workers to attend with them. In the training, the buddies role play difficult real-work scenarios. This training has strengthened feedback and respect between line leadership and staff, and helped coordinators and buddies learn to deal with poor performers, deliver

controversial messages, and handle criticism. Contact Judy O’Neal, VP Public Affairs, at judy.oneal@nhhn.org or (910) 343-7000.

Example: The Fred Hutchinson Cancer Center in Seattle has implemented Management Learning Groups for peer mentoring. Managers with similar levels of authority are formed into groups of 10 that meet once a month to confidentially discuss challenges in managing people, dealing with organizational politics, managing resources, and dealing with complexity. Discussions are strictly confidential and led by experienced facilitators with backgrounds in management. Learning Group members are asked for an initial commitment of six months and then decide biannually whether the group will continue or not. Contact Kim Wells at kwells@fhcrc.org or (206) 667-2789.

Example: DCH Health System, a three-hospital health system in West Alabama, has a Leadership Development Program for managers, supervisors, and directors. The program is presented in three phases, each phase consisting of six, one-day sessions over three months. The phases: (1) Development of Leadership Theory; (2) Building Interpersonal Competencies; and (3) Enhancing Team Building Competencies help managers improve patient and employee satisfaction, efficiently and effectively manage resources, meet the needs of a changing workplace, and develop trust and commitment to maximize team effort. For further information, contact Mike Laus at mlaus@dchsystem.com or (205) 750-5050.

T ACTICAL RECOMMENDATION

Develop approaches to assess and hire managers based on the ASHHRA list of key middle management competencies on pages 34-35.

T ACTICAL RECOMMENDATION

Provide first-line supervisors with skills development aimed more for the management of those they supervise than the skills needed for senior management.

Example: The University of Texas Medical Branch has created a leadership development series comprised of three components: (1) The Emerging Leader - designed to build on existing strengths and develop communication and team skills; (2) Supervisor Certification program - designed for first-line supervisors to

provide them with knowledge and skills to be more productive managing work processes and people; and (3) Manager Certification – designed to focus developing skills in the areas of leadership and coaching, managing teams, life/work balance, and change management. Contact Doug Stark at dgstark@utmb.edu or (409) 772-7900 or Annette DiPiero at amdipier@utmb.edu or (856) 489-6501.

T ACTICAL RECOMMENDATION

Develop a succession plan for every supervisory position.

Insight: Before any position becomes vacant, identify and evaluate the most likely internal candidate(s).

T ACTICAL RECOMMENDATION

Design the role of front-line supervisors so that they are on-site and have the time to effectively coach, mentor, reward, assess performance, and hold individuals accountable for results.

KEY MIDDLE MANAGEMENT COMPETENCIES

Advice from the American Society for Healthcare Human Resources Administration

Results Orientation—A leader who is a business driver able to manage for results in key areas such as clinical quality, service excellence, people management, and financial management.

- Accepts personal responsibility for results;
- Consistently delivers on commitments;
- Makes sound, timely decisions;
- Takes a strategic approach to identifying problems and opportunities and setting priorities;
- Aligns strategic operational and tactical objectives;
- Meets and surpasses expectations, goals, and objectives.

Skilled Communicator—A leader who creates an environment of mutual trust and respect and two-way communication.

- Clearly defines expectations;
- Communicates effectively using multiple methodologies;
- Actively listens to others’ ideas and concerns and responds in an appropriate manner;
- Facilitates both disagreement and consensus.

Team Builder—A leader who hires, retains, develops, and promotes talented people and builds team spirit.

- Cultivates a positive work environment;

- Gives frequent constructive feedback and coaching;
- Rewards and recognizes employees’ performance;
- Values diversity in all of its forms;
- Effectively manages conflict;
- Manages and motivates individuals and teams.

Agent for Change—A leader who challenges traditional practices and actively pursues positive change.

- Optimistic and displays a “can do” attitude;
- Aligns people with the organization’s mission, vision, values, and culture;
- Aligns people with the organization’s strategic, operational, and tactical objectives;
- Takes calculated risks and encourages others to do so;
- Personally responsible for their own development;
- Adopts new approaches when circumstances demand it.

Commitment to Service—A leader who demonstrates a willingness to serve key constituents, including patients, coworkers, physicians, the community, and the organization.

- Clarifies service requirements and expectations;
- Assumes personal responsibility for meeting service requirements;

- Understands the underlying sources and issues behind customer needs and attempts to address them;
- Identifies emerging needs and proactively acts to address them.

Collaborative Relationships—A leader who is able to work in interdisciplinary teams for the benefit of the organization as a whole.

- Actively works to develop positive group interaction;
- Aware of what others are thinking and feeling;
- Ability to persuade others;
- Ability to be persuaded by others;
- Expresses positive expectations of others’ abilities and expected contributions;
- Solicits ideas and opinions from other individuals and units;
- Frequently exchanges information and resources with others throughout the organization;
- Promotes organizational cooperation by sharing resources with other individuals and units;
- Resolves cross-organization conflicts by seeking win-win solutions.

Resource Management—A leader who is able to manage effectively the organization’s human, financial, technological, and other key resources.

- Budget planning;
- Analysis of financial statements;
- Productivity and workload management;
- Forecasts labor supply and demand;
- Develops business plans, action plans, and other detailed planning documents.

Analytical Thinking—A leader who is able to organize the parts of a problem or situation by breaking it apart into smaller pieces, making systematic comparisons of different features or aspects and taking a step-by-step approach.

- Breaks problems down into tasks or activities;
- Links together pieces and sorts out tasks in order of importance;
- Breaks down a complex problem into smaller parts;
- Analyzes relationships among several parts of a problem or situation;
- Anticipates obstacles and thinks ahead about next steps;
- Systematically breaks multi-dimensional problems or processes into component parts.

Personal Integrity—A leader whose actions are consistent with what she/he says, who communicates ideas and feelings openly and directly, and who welcomes openness and honesty from others.

- Ability to make difficult decisions in the face of conflicting demands and interests;
- Is open, honest, and trustworthy;
- Publicly admits having made a mistake;
- Takes action based on values even when significant cost or risk is associated with doing so;
- Challenges others in powerful positions to act on espoused values.

Talent Development—A leader who has a genuine commitment to foster the growth and development of others.

- Provides a balanced and realistic assessment of an individual’s strengths and developmental needs;
- Matches an employee’s strengths with the needs of a job or task and makes assignments accordingly;
- Provides timely and specific feedback with the intent of improving performance;
- Provides expectations for future performance or specific suggestions for improvement;

- Arranges appropriate and helpful stretch assignments, formal training, or other experiences for the purpose of fostering a person’s growth and development;
- Provides needed support to buffer the individual from possible failure;
- Works with employees to build long-term career plans;
- Participates in and fosters discussions aimed at developing talent to meet the long-term needs of the organization;
- Actively develops talent, including subordinating the talent requirements of one’s area when doing so is in the larger interest of the organization.

Leadership Effectiveness

- Ability to create a shared mission and vision;
- Ability to establish goals and objectives to achieve the mission and vision;
- Ability to engender support from subordinates, peers, and superiors;
- Ability to facilitate involvement and participation on the part of key stakeholders.

Challenge 3

The workforce shortage will not be solved unless current and new workers are retained in hospitals.

STRATEGIC RECOMMENDATION

Learn what makes workers remain in the organization and become long-term employees.

ACTICAL RECOMMENDATION

Use retention rates, not turnover rates, to understand employee stability.

Example: Clinical nurse managers at Evanston Northwestern Healthcare in Illinois use a tool termed the “Retention Grid” to stratify turnover risk on their units. To assist managers in prioritizing their unit-based retention efforts, each nurse is assessed by their manager using “departure risk” and “impact of staff member departure” criteria. Contact Bill Luehrs, Senior Vice President, Human Resources, at (847) 570-5225 or Mary Lou Powell, RN, Vice President, Patient Services, at (847) 570-2409.

Example: Birchwood Companies’ (Plymouth, MN) long-term care organization tracks employee stability (employees retained at the end of the calendar year who were employed at

the beginning of the year) along with turnover, reasons for leaving, and longevity of current staff. Contact Human Resources Director Diana Rockstad at drockstad@birchwood-co.com or (763) 745-3322.

Insight: “[Turnover rates] are difficult to interpret. For example, does a 50 percent turnover rate mean that one-half of a company’s employees left during the year, one-fourth of the employees turned over twice, or 10 percent of the employees turned over five times?”³

ACTICAL RECOMMENDATION

Compute retention rates at both organizational and unit levels to identify high-departure areas and determine the factors contributing to departures.

Example: Kadlec Medical Center in Richland, WA, developed a nursing unit-specific recruitment forecasting methodology based on historical and

projected factors. Historic factors include the average age of RNs working on each unit, the 3-year historic turnover rate of voluntary terminations, and current vacancy rates. Other factors such as expansion of service, staffing changes, and medical staff changes are also factored in. From this baseline, the hospital can predict the anticipated needs for staff by unit. This provides a minimum threshold for the number of vacancies that will arise in the next 12 months. Contact: Janet Blake, Kadlec Medical Center, blakej@kadlecmed.org.

Insight: Determine whether current bed assignment practices group “difficult” and “high stress” patients in specific units, thus contributing to low retention rates.

Insight: Determine whether assigning new nurses to medical-surgical units contributes to supervisory burnout due to the extra demands placed on personnel responsible for large numbers of new hires.

Insight: Examine patient units with low retention rates to see whether physician behaviors (e.g., abusive language, sexist remarks, or failure to return pages) are contributing to dissatisfaction.

ACTICAL RECOMMENDATION

Develop programs to assimilate and support employees throughout their career at the organization. Don't orient employees only when they start working at the hospital.

Example: In response to turnover data showing that 38 percent of new employees left within a year, Chicago's Louis A. Weiss Memorial Hospital developed a hospital-wide preceptor program. Each unit selected a preceptor for new employees. The preceptors were trained in a four-hour session. Turnover in the past two years has been reduced to 15 percent. Contact

Stephen Modde, VP Human Resources, at smodde@weisshospital.org or (773) 564-7222.

ACTICAL RECOMMENDATION

Measure the direct and indirect costs of employee departures to understand the cost-effectiveness of retention initiatives.

Insight: "Direct turnover costs are fixed, requiring expenditure of time or money for existing employees and their replacements. Participating companies estimated the following direct turnover costs:

- Separation costs, including exit interviews, personnel department costs, and separation pay;
- Replacement costs, including employment advertising, pre-employment testing (including drug testing and background checks), new employee processing, and new employee orientation;
- Training costs, including formal training and on-the-job training.

Opportunity or indirect turnover costs encompass items such as paperwork errors, inventory shrink-

age, improper use of equipment, and change-making errors, caused by replacement employees' lack of experience. These costs are difficult to estimate because companies typically do not have procedures to track them."⁴

Insight: Investments in safety and security that increase employees' well-being are a factor in reducing worker turnover.

Insight: In his recent book *Loyalty Rules!: How Today's Leaders Build Lasting Relationships*,⁵ Frederick Reichheld studied almost 100 companies in a dozen industries and found "...5% swings in retention rates resulting in 25% to 100% swings in earnings – in both directions."⁶

ACTICAL RECOMMENDATION

Establish retention goals and reward managers for achieving them.

Challenge 4

Hospitals must develop a range of rewards for workers that reflect their high value to the organization.

*S*TRATEGIC RECOMMENDATION

Work with employees to develop a comprehensive rewards strategy that broadly reflects the high value of hospital workers to their communities and the hospital.

Insight: In addition to compensation and benefits, the Total Rewards™ concept involves the Work Experience, which includes:⁷

Acknowledgement, Appreciation, and Recognition – such as service, spot, and achievement awards; feedback; and other initiatives that achieve the desired result of fulfillment in employees.

Balance of Work/Life – such as family programs; financial/health counseling programs; convenience services; employee activities; non-traditional work arrangements; and other factors that contribute to a high quality of life.

[Corporate] Culture – such as leadership; diversity; organizational formality; opportunity for innovation; and degree of employee communications.

Development – such as learning opportunities; coaching; mentoring; feedback; opportunities for career advancement; and educational opportunities.

Environment – such as the job (content, variety, context, tools, clear line of sight, attainable objectives); the place (the physical work environment); and the company (products, markets, organizational structure, and success - the opportunity to work for a thriving company).

Insight: Temporary employment firms have attracted caregivers and support staff by offering a different mix of rewards. Study the strategies of temporary firms to identify the features that workers find so attractive and evaluate their use for permanent employees.

STRATEGIC RECOMMENDATION

Include a competitive edge in compensation in the hospital's comprehensive rewards strategy.

The relationship between compensation in the general economy and in health care is unclear. On the one hand, the Bureau of Labor Statistics states "the average earnings of non-supervisory workers in health services are slightly higher than the average for all private industry, with hospital workers earning considerably more than the average, and those in nursing homes and personal care facilities and home health services earning considerably less."⁸

What is clear is that hospitals will increasingly be competing for the same employees with industries outside of the traditional health services sector. For example, nurses are attractive staff for insurance and pharmaceutical companies, and pharmacists are in great demand through the retail industry. The disadvantages that hospitals currently have in being able to offer competitive salaries are real, as demonstrated in the data above comparing pharmacist salaries in hospitals to those of pharmacists working elsewhere.⁹

Average Total Income (\$) of Pharmacists by Employment Settings: 1992-2000.*

Year	Independent	Chain	Mass Merchandiser	HMO	Hospital	Supermarket
1992	47,524	54,267	—	—	51,482	—
1994	51,415	59,176	—	—	55,258	—
1996	54,110	65,495	64,957	70,197	62,048	61,319
1998	59,657	68,648	69,964	69,870	62,510	67,177
2000	76,820	81,903	84,938	88,822	79,097	80,650

**Data from Drug Topics Salary Surveys, 1998-2001*

ACTICAL RECOMMENDATION

Ensure that hospital compensation strategies adequately reflect differences in education, experience, and competencies.

ACTICAL RECOMMENDATION

Ensure that compensation strategies for employees remain competitive from entrance salary through mid and late career.

Insight: Compensation strategies should provide appropriate recognition for the value long-term employees who remain in caregiver and support roles.

STRATEGIC RECOMMENDATION

Include flexible benefits in the hospital’s comprehensive rewards strategy.

FACTICAL RECOMMENDATION

Recognize that workers have different benefit needs and involve them in developing benefit options that provide employees with a choice of benefits that meet evolving needs throughout their career.

Example: Working Mother magazine annually selects a list of the 100 Best Companies for Working Mothers. Benefits on which hon-

orees are judged are childcare flexibility, leave for new parents, work/life balance, and opportunities for women to advance.

Example: Mission St. Joseph’s Health is located in Asheville, NC, a resort and retirement area where housing prices are 12 percent above the state’s housing index. Knowing that home ownership was out of reach for many employees, the hos-

pital teamed up with Fannie Mae and Asheville’s Affordable Housing Coalition to develop a program to make homeownership part of the hospital’s benefit package. The program includes homebuyer education as well as assistance in securing financing. Contact Beth Marcus, Fannie Mae Director of Marketing, at h_beth_marcus@fanniemae.com or (202) 752-7888.

STRATEGIC RECOMMENDATION

Include an employee recognition component in the hospital’s comprehensive rewards strategy.

Insight: Key Components of a Successful Reward and Recognition Program:¹⁰

- The recognition and reward program is driven primarily by middle management, including department heads and first-line supervisors.
- Employees are recognized for achieving specific organizational results and/or for demonstrating excellence (e.g., clinical outcomes, customer service, financial performance, etc.).
- The types of rewards provided to employees are relevant to what employees really want and not what management thinks or assumes workers will find rewarding.
- The types of rewards provided to employees are significant and meaningful to them (i.e., not slogans, tee-shirts, or coffee mugs).
- Whenever possible, employees are recognized in front of their peers and coworkers and, where appropriate, their family members.
- Recognition and rewards are available to all employees, including front-line employees, middle managers, and executives in both patient care and non-patient care delivery areas.
- In addition to recognizing results, performance, and excellence, employees are recognized for their length of service to the organization.

- The recognition and reward program is a line item budgeted on an annual basis as an investment in the organization's most important asset – its people.
- Remember that saying “thank you” is one of the most powerful ways in which employees can be recognized and rewarded.
- Employees should be recognized both for their accomplishments at work as well as accomplishments they have achieved in their personal lives.
- Executives and middle managers should be selected, evaluated, and rewarded at least in part on their ability to reward and recognize their employees.
- Recognition and reward programs need to evolve over time in order to remain effective.
- Middle managers and executives need specific training in how to recognize and reward employees.
- Middle managers and executives need to be provided specific tools and resources by which to recognize and reward employees.
- Executive management team members must serve as role models for middle managers if they expect them to effectively recognize and reward their employees.
- An organization's reward and recognition program should strive for fairness and consistency across departments and managers throughout the organization.

ACTICAL RECOMMENDATION
Recognize, celebrate, and accommodate generational differences in your workforce.

ACTICAL RECOMMENDATION
AHA should lead an initiative with other professional and trade associations and employee representatives to develop guidelines for issues seen as negatives among the workforce, including model policies for “on call” notice, “on call” cancellation, and last-resort unavoidable overtime.

STRATEGIC RECOMMENDATION

Include career development in the hospital's comprehensive rewards strategy.

TACTICAL RECOMMENDATION

Enhance orientation, internship, and transition-to-work programs.

Example: A mentorship program at New Hanover Regional Medical Center in Wilmington, NC, has helped reduce staff attrition markedly. By May 2000, 34 percent of the hires from the nursing schools' class of 1999 had left, but in May 2001, the attrition rate for the class of 2000 was just 8 percent. The mentors, who receive no financial compensation, provide career guidance, advice, and leadership to new nurses. They are not preceptors but serve more as role models, coaches, and advocates for the nurses. Feedback from participants indicates that the mentoring program is key to their decision to remain in the organization. Contact President and CEO Bill Atkinson at bill.atkinson@nhhn.org or (910) 343-7000.

TACTICAL RECOMMENDATION

Help each employee have a career mobility plan that considers his or her interests and goals.

Example: Clarian Health's Career Quest[®], provides individualized counseling to help employees explore interests, assess skills, set goals, and progress from "where they are now" to "where they want to be" within the system. Enrollees, referred to as "Questors," choose from four different pathways (progression into a new job, admission into a training program, performance improvement/skill enhancement in their current job, or learning for personal/professional development) and five different tracks (clinical/patient care, business/clerical, support services, facilities, or leadership). Each Questor is linked with a career advisor (a "guide") and undergoes a series of assessments to identify occupational interests and current skill levels. Contact Employee Education and Development Manager Sherry Makely at (317) 962-3282.

Example: Exempla Healthcare, Denver, noticed very high turnover rates for entry-level workers in environmental services, nutrition services, and laundry.



The system believed this was due to lack of career advancement opportunity in entry-level positions brought on by deficits in employee skill sets. In response, the Entry-Level Workforce Development Program was established. It provides on-site skill development classes. Participants also work with a program manager to develop a career plan customized to further their career within Exempla. The program is partially funded by a grant from the Denver Mayor's Office of Workforce Development. Contact Sandy Cavanaugh at (303) 813-5335 or at cavanaugh@exempla.org.

Example: Fairview, an integrated health care system that includes seven hospitals in Minnesota, opened Workforce Development and Placement Centers in 1995 to assist employees with career development, job coaching, primary job placement, transitional service placement, and educational training programs for future job placement. Two staffed centers are located at their largest hospitals, and outreach services are provided to smaller campuses. Resources available to all employees include vocational counseling, computer resource stations, assessment testing, videos, and library materials. To date, there have been over 15,000 consults and hundreds of job placements. In 2001, there was over \$11 million dollars in turnover and industrial indemnity savings. Making these services available to employees has increased employee retention, satisfaction, and engagement. For additional information, contact Laura Beeth, Corporate Director of Workforce Development and Placement, at lbeeth1@fairview.org or (952) 924-7077.

*T*ACTICAL RECOMMENDATION

Offer employees opportunities for career and personal growth.

Example: Henry Ford Health System has created a competency-based career ladder program for clinic service representatives and medical assistants. The program features three levels within the ladder structure that offer both career progression and reward for performance. During its first calendar year in operation, over 30 percent of all employees in the job classifications successfully completed the program. Turnover rates have gone from 23 percent to 8 percent for clinic service representatives, and from 17 percent to 9 percent for medical assistants. Contact Pam Theisen, Senior Consultant, Human Resources, at ptheise1@hfhs.org or (313) 874-6089.

Example: As a strategic lever of its Best People Strategy that focuses on retaining and developing the workforce, Northwestern Memorial Hospital in Chicago created an in-house training and education academy and hired a former senior manager at Motorola University to direct it.

The academy is staffed by professional educators, advanced degree nurses, and other allied health professionals. It offers training/education and development options in management, cultural competence, clinical skills, customer service, basic literacy, and required annual regulatory training, in support of operations objectives. Through partnerships, it has created virtual allied health schools and programs in nursing and imaging technology.



The Academy also manages an infrastructure for education and training, including classrooms, computer labs, on-line catalogues, and tools. Contact: Justin Lombardo, Director, NM Academy, at jlombard@nmh.org or (312) 926-5425.

TACTICAL RECOMMENDATION

Design personnel evaluation systems to distinguish between employees the hospital wants to keep, employees it wants to advance, and employees whose performance, after appropriate acculturation and training, is inconsistent with hospital standards.

TACTICAL RECOMMENDATION

Hospital associations should work with professional associations and educators to develop career paths that encourage career mobility.

Insight: Many hospital jobs are perceived as dead-end because the prospective employee has to return to school and begin a new educational program “at square one” because there is no recognition of prior education or experience. Establishing credit for prior training and experience could increase the pool of applicants and retain workers in health care careers.

TACTICAL RECOMMENDATION

Provide or arrange for basic education skills for employees.

Example: The University of Chicago Hospitals and Health System developed the UCH Academy to serve the education and training needs of staff that are employed by the health system. The learning opportunities offered by the UCH Academy are directly aligned with the business needs of the organization and provide employees an opportunity to acquire new skills that enable them to advance their careers within the organization. The Academy Model is also offered to other health care organizations. Contact Judy Schueler at jschuele@uchospitals.edu or (773) 702-4380.

STRATEGIC RECOMMENDATION

As part of the hospital's comprehensive rewards strategy, develop work assignment systems that provide workers with increased control over their assigned hours.

ACTICAL RECOMMENDATION

Involve workers in developing flexible work schedules that provide them with greater personal time flexibility and the hospital with appropriate continuity of care and staff.

Example: St. Peter's Health Care Services in Albany, NY, established a web site that allows nurses to bid on shifts and wages. The hospital's goal is to attract competitive bids from nurses who work for temporary agencies, doctor's offices, or HMOs and to reduce the time nursing supervisors spend filling shifts. St. Peter's has seen a significant decline in its nursing vacancy since the web site's inception. Visit www.stpetershealthcare.org/careers_and_jobs/ or contact Kathy Brodbeck at kbrodbeck@stpetershealthcare.org or (518) 525-1279.

Example: St. Louis (MO) Children's Hospital now offers most pharmacists the option of working a "7 days on, 7 days off" schedule. That option had previously been limited to the night shift. Managers and pharmacists working in clinical departments such as the ICU are excluded by their responsibilities from participation. But half of the hospital's eligible pharmacists now follow this schedule. Those with families report that it has cut their child-care costs in half. It also has helped to build teamwork and consistency on the shifts. Contact Pharmacy Director Christine Pavlak at christlp@bjc.org or (314) 454-6161.

Example: Allina Hospitals & Clinics, Minneapolis, has 24 medical record coders who work from home, thanks to a web-based product. Prior to implementing the system, Allina was relying on expensive outsourced coding agencies. Benefits of the Internet-based solution have been



increased worker productivity, increased staff satisfaction and retention, reduced costs, and maximization of staffing. When one hospital experiences coding capacity, for example, home coding staff can be assigned charts from another Allina facility. Since implementing the home coding program, Allina has received resumes from more than 80 experienced coders. Contact Kim Pederson, Vice President, Revenue Cycle, at (612) 775-9742.

ACTICAL RECOMMENDATION

Make sure that evening, night, and weekend personnel have access to the same administrative, educational, mentoring, and family support services available to the day staff.

Insight: The tradition of providing support services on an 8-5 schedule contributes to the perception that other shifts are not equally valued and makes it more difficult to retain staff on these shifts.

Challenge 5

Hospitals have many widely used methods to measure the performance of their financial resources. The same attention should be focused on human resources.

STRATEGIC RECOMMENDATION

Give human resources information the same governance and senior leadership attention and priority as financial information.

ACTICAL RECOMMENDATION

Develop a routine human resources report for the Board of Trustees that is deemed equal in importance to the financial report.

Example: For board members at North Mississippi Health Services, the parent organization of North Mississippi Medical Center in Tupelo, MS, human resource issues have become a regular part of the board meeting agenda. NMHS's vice president of human resources briefs board members on the issues, proposals, and activities affecting the health care system's staff and provides regular reports on vacancy, turnover, and retention. The annual retreat for board members and the system's administrative staff offers an opportunity to discuss and set goals for the coming year. Because of this active involvement, board members have supported NMMC's new model for patient care delivery

that incorporates changes suggested by staff. For further information, contact Patti McCue, Vice President for Nursing Service, NMMC, at pmc-cue@nmhs.net or (662) 377-3425.

ACTICAL RECOMMENDATION

Develop human resources reports that measure the organization's investment in human resources and provide them to executives and managers.

Insight: Human resource reports comparable to financial reports would include: (1) sources and uses of personnel; (2) inventory of personnel capabilities; (3) return on development in personnel skills; (4) age distribution of workers; and (5) true cost of turnover.

Example: Henry Ford Health System, Detroit, develops multi-year strategic human resources plans that are integrated and linked to the broader strategic planning process for the

system. Leadership throughout the system is involved in the development of the human resources plans and utilizes them as ongoing performance benchmarks. Contact Senior Vice President and Chief Human Resources Officer Bob Riney at riney1@hfhs.org or (313) 876-8707.

- 1 Aon Loyalty Institute, Healthcare @Work. Ann Arbor, Michigan, 2001.
- 2 "Preface," in Finding Their Voices: Professionals and Workforce Representation. The Albert Shanker Institute, 2001, p. 6.
- 3 New Ideas for Retaining Store-Level Employees. Atlanta: The Coca-Cola Retailing Research Council, 2000, p. 9.
- 4 New Ideas for Retaining Store-Level Employees. Atlanta: The Coca-Cola Retailing Research Council, 2000, p. 30.
- 5 Harvard University Press, September 2001.
- 6 Business Week, August 13, 2001, p. 8.
- 7 Total Rewards™: From "Employment" to "Engagement." Scottsdale, Arizona: WorldatWork, 2000.
- 8 U.S. Department of Labor, Bureau of Labor Statistics, Career Guide to Industries. 2002-2003 Edition.
- 9 U.S. Department of Health and Human Services, Bureau of Health Professions. The Pharmacist Workforce: A Study of the Supply and Demand for Pharmacists. December 2000.
- 10 Developed by the American Society for Healthcare Human Resources Administration.