Healthcare providers are experiencing immense pressure to restructure, reduce expenditures and elevate quality of care as they transition to the value-based model. To meet these business imperatives, there are three items on every healthcare leader’s agenda: care quality, patient satisfaction and employee engagement. Talent plays a critical role in the success of each of these elements, and healthcare providers are realizing they can’t transcend in today’s value-driven environment without excelling in all three.

Pinstripe Healthcare facilitated two round-table discussions and provided graphical reporting at the ASHHRA 49th Annual Conference & Exposition (2013), exploring how hospitals and health systems with higher-quality talent selection and management strategies are achieving better HCAHPS Survey scores as well as the strategies they are undertaking to improve engagement, retention and ability to respond to change/foster Agile development.

The following highlights the most prominent insights revealed during the discussions, *HR’s Impact on Business Imperatives.*

Visual representation of the discussion during the second ASHHRA Insight Session.
1.) Driving Quality Healthcare with Quality Talent

The future of healthcare is contingent on the quality of its talent. This fact opens the door of opportunity for industry leaders, but also presents a significant challenge. Simply stated, the talent supply of yesterday will no longer meet the demands of tomorrow. With payments directly tied to patient satisfaction, a shortage of quality clinicians and diminishing reimbursement rates, healthcare providers are desperate for talent than can adapt to a constantly shifting environment, both efficiently and successfully.

Optimizing the Interview and Selection Process

50% of attendees indicated the most “broken” operation within their healthcare organizations is talent acquisition, with quality of care (11%), employee satisfaction (11%) and patient satisfaction (28%) also of concern.

Based on the discussion, optimizing talent acquisition and ultimately the quality of patient care begins with the selection and interview process. Many healthcare organizations have been rapidly making hires without first identifying the qualities necessary to drive patient satisfaction. According to one leader, “We need to shift from hiring the best talent to finding the right talent.” Providers need highly credentialed individuals, but also professionals with the right mix of qualifications and character traits to be successful in this new era of healthcare.

Soft Skills: the Hardware Powering Today’s Healthcare Organizations

Hiring solely based on qualification is being reflected in subpar patient satisfaction scores. Leaders believe their organizations need a more rigorous hiring process—one that focuses more on soft skills to identify service-oriented individuals, the best cultural fit and leadership potential, among other pertinent qualities. Soft skills is a sociological term relating to a person’s “EQ” or Emotional Intelligence Quotient. Essentially, this is the cluster of personality traits, social skills, communication, language, personal habits, friendliness and optimism that characterize relationships with other people. As healthcare shifts into a value-based market, soft skills are becoming increasingly important.

For example, a health system may identify two qualified nurse candidates; the in-person interview highlights one candidate as flexible, patient-focused and open to change while the other, although perhaps more professionally qualified, lacks empathy and passion for customer service. Based on the discussions, organizations need to seriously consider emphasizing soft skills over strictly relying on professional experience and qualifications. Hire the right talent to drive patient satisfaction, or risk losing thousands of dollars in the months spent attracting, hiring, onboarding, training and eventually letting go of the wrong talent.
Healthcare providers willing to look deeper than resume qualifications can set themselves apart from the competition—ultimately raising patient satisfaction and, in turn, market share, employer brand and reimbursement. In fact, hospitals and health systems with more stringent talent selection and management strategies achieve higher HCAHPS scores than their competitors (HCAHPS & DDI Global Leadership Forecast).

2.) Aligning Talent Acquisition with Talent Management

Many hospitals and health systems are investing significant amounts of money in patient satisfaction training, but they are not achieving the expected return on investment (ROI). Leaders need to align talent acquisition strategies with quality reporting metrics. Tracking and reporting the right metrics provides better visibility, transparency and insight, while enabling fact-based evaluations of current processes.

Based on the roundtable discussions, the majority believe challenges with employee engagement are not due to compensation but actually circle around leadership development. The graphic on the next page indicates 50% of each session’s attendees believe positive managerial relationships drive employee engagement—highlighting the importance of training and developing managers to better lead their staff. This number is backed by a recent study conducted by Quantum Workplace, which indicates “trust in senior leadership” has the greatest impact on organizations’ overall level of engagement.

This includes exploring quality-of-hire, hiring manager satisfaction and staff engagement, among other measurable functions, to gain insight into the inner-workings of the healthcare organization. Integrate behavioral-based interview questions, take to the ground floor to ask questions, and listen to the workforce. Average spending on salaries is approximately 52% of healthcare providers’ operating expenses (U.S. Bureau of Labor Statistics); organizations simply can’t afford a lack of transparency into organizational performance, as both the financial and operational consequences can be dramatic.
For instance, during the discussion of employee engagement, one trend in particular stood out: Managers and executive-level staff are feeling the stress of tightening budgets and reduced reimbursement rates, and it often trickles down to the lower level—causing dissension, stress and even increased turnover. One leader explained how a strong leadership development program has amplified engagement across their health system. This includes one-on-one training to help leaders practice, grow, develop and “deal” with challenges in the workplace (and at home) so they can better manage and lead their staff.

Understanding the True Cost of Employee Disengagement
The financial impact of a single disengaged employee can be drastic, and a poll conducted during the roundtable hinted that most leaders in attendance have even greater concern for employee engagement; 85% believe the true cost to the average organization for each disengaged employee is “priceless.”

More specifically, disengaged employees don’t solely impact finances; they drag down staff morale, the quality of care provided, patient satisfaction rates and retention. But disengagement can’t be “fixed” by simply offering higher pay. Compensation is no longer enough to ensure a healthy, engaged workforce. In fact, zero attendees indicated “compensation and incentives” as the primary driver of employee engagement.

Many hospitals and health systems have low turnover rates, averaging around 10 years per employee. This can lead to perceived positive engagement and high performance, but it can also mask poor engagement, disconnect between leadership and staff, inadequate care quality and in turn satisfaction, among numerous other detractors. The roundtable discussions highlighted this fact, emphasizing the importance of looking beyond compensation to better understand staff members’ needs. Interestingly, a number of leaders in attendance believe disengaged employees with significant tenure are simply trying to “wait out” organizational and leadership changes, believing newly integrated strategies are merely fads.

One executive in attendance noted seeing a recent significant drop in employee engagement across their healthcare organization. Leadership found the biggest detriment to engagement was staff members’ view of administration. By consensus, the conversation confirmed healthcare organizations need to hire the right people first, then invest in them—their educational growth, leadership development and well-being. Some believe investing time and resources in engagement and soft skills of the workforce is “nonproductive time,” but healthcare professionals crave engagement amidst the chaos; investing in talent has proven invaluable in today’s erratic environment.

Employee Engagement and Patient Perception Directly Tied to Employer Brand
Employer branding strategies can be helpful in building external reputation, but in an industry as transparent as healthcare, it is all for naught unless the organization is built on the foundation of trust, respect, appreciation and credibility.

During the roundtable discussions, attendees agreed that building employee engagement—and, in turn, employer brand—needs to be cultivated through partnership with Human Resources (HR), but it cannot be fully managed/governed by them; regardless of effort, organizations will always have a number of disgruntled employees. Leaders need to focus on keeping the engaged happy and on engaging “neutral staff.” Focusing too strongly on the permanently disgruntled can take away from what organizations are trying to accomplish both as a business and a care provider.
When healthcare leaders are truly working to connect with their staff, the reactions are going to be positive. Staff see the effort being put forth, the drive to improve relationships and the help offered to individuals who may be struggling in their roles. They also appreciate the care and concern for their career development. One attendee stated, “If the culture is not in a healthy place, then any resource or program you may have will not work. Engagement can’t grow and succeed if the culture is not there.”

Employer branding strategies can be helpful in building reputation, but it is all for naught unless the company is built on the foundation of, “This is a place I want to work.” Build a culture employees want to be a part of, a place they appreciate, trust and respect.

Conclusion: Embrace Change

Change is the one constant across today’s talent landscape. Health reform is demanding new patient-focused treatment and services; globalization is re-shaping traditional markets; and technology is making communication, tracking and reporting more efficient (and important) than ever before. The ability to adapt to the ever-shifting landscape is vital to future, sustained success.

Healthcare providers may not know what is coming their way, or when; but being open to change is the only way to survive, and developing a capacity for change both at a staff level and an organizational level is vital. Hospitals and health systems need to develop the competency of being agile organizations that are able to quickly and effectively respond to change. Every leader is tasked with being a change agent. It may be an overwhelming time in healthcare, but openness to change is key to survival. As one leader in attendance affirmed, constant change is the new reality.

Visual representation of the discussion during the first ASHHRA Insight Session.