

Competing for Scarce Professional Talent: Is Your Organization Ready for this Make or Break Race?

By Daniel J. Phillips

Just as all of us in healthcare thought we had turned a corner – past the managed care revolution of the 1990s and beyond the technical glitches of Y2K – our industry has been roiled by another crippling nursing shortage. Making matters worse, a number of key allied health professionals are also in short supply. Each day, healthcare organizations face the critical question: Do we have the staff to treat our patients?

The acute labor shortage has placed healthcare organizations in an uncomfortable position; now buyers in a sellers' market, hospitals must actively compete for a small number of candidates who are demanding quality work environments in addition to excellent salaries and benefits.



Daniel J. Phillips

At Phillips, DiPisa & Associates, we've been on the front lines of securing hard-to-find department managers, and we've identified trends in the qualities candidates are seeking in their new work settings.

This article examines how three Phillips DiPisa clients – New England Medical Center, Inova Health System, and Cooley-Dickinson Hospital –

addressed workplace issues to improve their chances of recruiting top talent. As illustrated here, the benefits of

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becoming an "Employer of Choice" go far beyond attracting good candidates; by tackling key (and often sensitive) workplace issues, healthcare organizations resolve other challenges, such as retention, productivity, reliance on agency use, and overall morale.

Defining "Employer of Choice"

Due to continuing financial pressures, healthcare organizations have been distracted from addressing workplace issues. Employee satisfaction programs were placed on the back burner by some organizations and completely ignored by others. Ironically, the workplace initiatives viewed as unnecessary a few years ago are now critical in keeping healthcare organizations functioning.

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We see this each day at Phillips DiPisa as we conduct searches for professionals in fields with shortages. As soon as a candidate decides to apply for a position, he/she is surveying colleagues, friends, and family members about the potential employer. They want to know: Is the work setting positive and productive? Are employees respected and supported? Is morale high? Is there pride in the organization?

Red flags for candidates include high turnover rates and a negative marketplace reputation (i.e. the organization doesn't care, value, or respect its employees). To make a move, candidates need to be assured that they will have the resources to do their jobs and that their subordinates will have adequate resources as well.

They also want to know if their contributions will be understood and valued by other key stakeholders, such as physicians and other members of management. Finally, candidates want to work for organizations with stable senior teams, training programs that help employees work effectively and advance, and HR benefits designed to alleviate life stressors (such as tuition reimbursement and child/elder care).

Addressing these issues can be a sensitive and painstaking process, but by becoming an "Employer of Choice," an organization greatly improves its competitive position in the marketplace.

New England Medical Center: Enhancing Retention and Marketplace Perception

In 2001 Bill Gouveia, Director of Pharmacy for New England Medical Center (NEMC), faced a painfully familiar task – searching for staff pharmacists. Like many healthcare organizations, NEMC, a major teaching hospital affiliated with Tufts University, was grappling with increasing pharmacist turnover in a market where pharmacists are in short supply. More frustrating, there was a marketplace perception that the NEMC pharmacy was a difficult place to work.

Gouveia hired Phillips DiPisa to develop a strategy around internal recruiting for four pharmacists. As Dan Phillips and Gouveia worked through the intake assessment, it became clear there were underlying issues causing a retention problem. Unless these were resolved, the turnover cycles would never end.

So before initiating the search, Gouveia placed his department in the hands of Neal Katz, an organization development expert affiliated with Phillips DiPisa. Katz conducted an in-depth analysis of pharmacy operations and the overall organizational structure. He found that staff pharmacists were concerned about day-to-day working conditions and

felt they had little control over their working environment. Katz made a number of recommendations – some major, most minor – designed to improve the pharmacy's working environment. "One of the most important recommendations I suggested was to make cutting staff a last option after exhausting other measures," he says. "In recent years many organizations have done this to quickly cut expenses, with serious ramifications. Sure, remaining staff can make up the difference for a while, but in the long run, employees get burned out and decide to leave."

He also made a number of recommendations to empower line staff;

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these included making department leaders accountable for employee well-being as well as productivity, developing strategies to help high-potential employees advance, and using appropriate coaching programs to keep employees motivated and focused.

As the pharmacy was instituting Katz's changes, Dan Phillips designed a recruitment campaign that addressed marketplace concerns. According to Pharmacy Director Gouveia, the results of both initiatives have been very positive. The department was able to attract more than enough excellent pharmacists to fill the positions, and by improving working conditions, it is functioning with a full staff for the first time in years and has virtually eliminated its agency use.

INOVA Health System: Innovative EOC Program Saves Millions and Gains National Recognition

In 1998 Inova Health System began a five-year journey of strategic positioning to become an Employer of Choice in the Northern Virginia/Washington, DC, area. With 14,000 employees in Inova's five acute care hospitals, home healthcare programs, assisted living and long-term care facilities, and emergency centers, the System's staffing requirements are extensive. But Inova didn't launch its award-winning EOC program just to keep its facilities staffed; the program was designed with a much higher goal in mind – to attract and retain those employees who will best serve Inova patients.

Ellen Menard, Senior Vice President of Human Resources and Organization Development at Inova Health System in Falls Church, Virginia, was instrumental in spearheading the initiative and says the institution spent the first three years "hammering out" a philosophy geared to making Inova an "elite organization that keeps elite people who take the best care of patients." She adds, "Achieving status as Employer of Choice is a business proposition that smart companies really understand. Employees must believe in the organization. Money is important to them, but more important are 'key drivers' that are in the hands of managers: professional fulfillment, personal growth, recognition, and balance in life. If you can focus on retention -- not recruitment -- and train managers, employees will be satisfied and turnover will be reduced. In fact,



we cut turnover from 22% to 17% in one year; by our analysis, a 1% turnover is worth about \$2 million."

Critical to Inova's successful EOC program was differentiating between employee "core needs" and "critical elements of retention." Core needs are defined as the competitive elements necessary for basic recruitment: salary, benefits, retirement programs, working hours, vacation time, and physical environment. Critical elements of retention are the aspects of work/life that employees value most once they're recruited; these include professional fulfillment, personal growth, customized recognition, and a work/life balance. Inova discovered that managers exercise the greatest influence when they are trained and actively engaged in the critical elements of retention. Now, Inova managers work hard to customize each employee's work experience.

In addition to management training and enhanced employee recognition, Inova launched a number of new programs to help employees with work/life issues. Most Inova facilities offer compressed work weeks, job sharing, telecommuting, and part-time work options. In addition, the System increased its tuition assistance to \$3,000 per year, added an elder care resource and referral program, and instituted a policy giving full-time employees 37 paid days off per year for vacation, holidays, or personal needs.

Inova's outstanding EOC program has garnered tremendous local and national recognition. In October 2001, Inova was listed for the first time as one of the "Great Places to Work" for nurses by the popular *Washingtonian Magazine*. Inova was also listed in *Working Mother* magazine as one of the "100 Best Companies" for mothers to work for in America.

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Cooley-Dickinson Hospital: On the Path to Becoming an Employer of Choice

At Cooley-Dickinson Hospital, Vice President of Human Resources Sharron Gasior leads a team of employees dedicated to helping the institution become an Employer of Choice. The team, comprised of people from departments throughout the Massachusetts-based community hospital, identified four areas of focus: organizational communications, employee reward and recognition programs, performance management systems (formerly called performance appraisals), and establishment of a culture of exceptional customer service.

After determining the areas of concentration, the team made an effort to gain employee input. Using focus groups and surveys, Cooley-Dickinson found – as Inova Health System had – that money isn't the biggest factor for employees; people are more concerned about help with life issues, for example, child care, elder care, and other mundane issues such as dry cleaning and ATM services.



So to help with busy schedules, the hospital introduced a number of innovative initiatives, such as selling prepared dinners through the hospital cafeteria. The team also discovered manager training was critical to workplace enhancement. Like many healthcare organizations, Cooley-Dickinson reduced the number of supervisory staff several years ago, leaving managers busier than ever. The hospital has introduced monthly training programs to help managers better deal with

their workloads and to show them how to build productive relationships with their employees. “Managers are responding quite well to the programs,” says Sharron Gasior. “They are open to improvement, and although the monthly sessions are not mandatory, they are always full.” (The hospital also offers a mandatory, all-day program for managers focusing on accountability, interpersonal excellence, leadership excellence, and visionary thinking.)

For other hospitals just starting an EOC program, Gasior has this advice: Learn from the best organizations and be patient. She says, “We thought this process would take two to three years ...we now realize it will be ongoing. Phase II will focus around the patients, visitors, and customers beginning next year.

Daniel Phillips is the founder of Phillips DiPisa and brings a rich history of health-care leadership experience to every client relationship. Previously Mr. Phillips held financial leadership positions at St. Elizabeth's Medical Center and Franciscan Children's Hospital, both in Boston.

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