

HEALTHLEADERS CEO EXCHANGE CALL: 2 Big Approaches for Easing the Labor Deficit

HEALTHLEADERS CEO EXCHANGE VIRTUAL EVENT PRESENTERS



Jonathan Kling
COO
NCH Healthcare System



Susan Stone
Senior vice president and CEO
Sharp Coronado Hospital

Healthcare’s mass exodus of personnel and ongoing worker shortage tops the list of what keeps the C-suite up at night, and two innovative leaders are finding solutions to reverse the trend.

Attracting and keeping the best team members was the focus of the March 15 HealthLeaders CEO call, featuring Jonathan Kling, RN, COO of NCH Healthcare System, a 715-bed, two-hospital system in Naples, Florida, and Susan Stone, PhD, senior vice president and CEO of Sharp Coronado Hospital, a full-service community hospital in Coronado, California.

While located on opposite coasts, the systems are applying similar strategies to rebuild and sustain their employee base hit hard by the pandemic. They are achieving this outcome by concentrating on two priorities: investing in their people and establishing an exceptional work culture.

1 PROVIDE FOR STAFF NEEDS, REWARD THEM FINANCIALLY.

Recognizing that employees and candidates alike prize compensation, benefits, and perks, NCH has upped its financial rewards to stem resignations in a highly competitive environment. Increasing pay for core staff in critical areas also sent a powerful message to the staff that they were valued.

Faced with exorbitant agency costs for travelers, matched with Naples’ high cost of living, NCH translated the money they were spending on agency to pay essential workers over the market rate.

“We made a 28% market adjustment for our OR staff, which was significant, but if you look at the \$8 million annually we were spending for travelers in the OR, you have to ask why we were OK with that and not OK with investing in our staff,” Kling says.

Higher wages not only dramatically curtail traveler expenses, but also help convert travelers to full-time employees.

“With the market adjustments, people who were declining us historically because of cost-of-living needs—even when we had offered relocation or signing bonuses—are now accepting jobs that would normally be declined,” says Kling.

Beyond reducing agency expenditures, NCH looked for other opportunities to shift costs from unproductive processes so they could fill more critical needs.

“We used metrics to measure productivity in other areas across our system and found \$18 million,” says Kling. “As a result, we were able to fill 18 open positions for surgical OR staff and cancel agency [fees] that were costing us \$800,000 per pay period. Now we’re looking at sustainability for that number.

“In areas where we’ve [increased funding], we’re seeing 10%–12% market growth as well as additional revenues from new or expanded services—since now we can staff with a third shift, a scheduled weekend shift, and we’re able to cover with core staff.”

In another substantial outlay, NCH now waives premiums for employees who participate in its road to wellness health program. Its 85,000-square-foot Wellness Center provides fitness and nutrition programs to help people meet their goals. The organization also provides five free meals for all employees.

Their rationale: “We want to be considered the employer of choice in South Florida,” Kling says.

Sharp experienced similar COVID-19 surges as many other hospitals during the pandemic and augmented with travelers and registry. To better prepare for future surges, the system put in place several safeguards—including using predictive analytics to secure travelers for the right period of time, maintaining its cornerstone programs, rightsizing positions, and creating a nurse extender role.

“During the largest surge, there was a great need to relieve some nurses from the non-nursing-related tasks they were doing in order for them to provide optimal patient care and also provide our entire workforce an ability to have quality of life in the midst of the COVID-19 surges,” says Stone. “We paid local nursing students who wanted to learn

more about the positions we had, and they signed on as nurse extenders. That’s been exceedingly successful, and we’re now recruiting them into the nurse new graduate programs.”

Sharp also worked to stem the negative flow of nurses by keeping in touch with frontline staff to be attuned to their needs and respond to their stressors.

“There’s not one magic bullet, but it’s working together to solve the identified problems, such as helping with childcare options when school was out,” Stone says.

She adds that retaining employees requires constant attention to their needs: “It’s a moving target, as always.”

2 FOSTER AN ENVIRONMENT WHERE PEOPLE COME... AND STAY.

With the largest market share in San Diego County serving 3.3 million residents, Sharp strives to be the leader in healthcare by upholding its vision to be the best place to work, practice medicine, and receive care. Starting on a journey to transform its healthcare experience in 2000, the system didn’t allow the

pandemic to place their efforts on hold.

“Initially in our transformational journey we asked the voice of the customer how we were doing, and they said, ‘You’re good, but not great,’ and that was a wake-up moment for us,” says Stone. “That was our incentive to change things from inside out and look at ourselves with fresh lens.”

Sharp asked over 1,000 employees to participate in action teams and established interdisciplinary collaborative governance, physician engagement councils, and patient and family advisory councils. The organization tapped performance improvement road maps—such as Malcolm Baldrige, Magnet®, Planetree, High Reliability Organization principles, and the Lean Six Sigma toolbox—”to add to the rigor and training of our leaders,” says Stone.

The pandemic did not halt the systemwide initiative or distract the organization from its core fundamentals: promoting senior leader rounding, leadership development sessions, all-staff assemblies to celebrate

successes, an advanced nurse leadership academy, a physician leadership academy, and manager/patient advisory groups.

As a result, Sharp achieved a 92% retention rate in fiscal year 2021, even with the “great migration” of Californians leaving the state for a lower cost of living.

“We want to retain all the team members we can, so during the pandemic we put a ton of communication in place,” says Stone, citing newsletters and morning huddles.

“We did a lot of work reassuring the staff with leaders being out there on the front line with team members to let them know we were in this crisis together with them,” she says.

The organization provided ample personal protective equipment, instruction on first aid and disaster preparedness, open forums where staff could speak safely, peer support coaches, and on-site mini-markets. During the period when the governor prevented hospitals from conducting surgeries, Sharp also secured \$2 million in grants to help

employees offset the economic impact of reduced hours.

“We try to put in place a culture of camaraderie that ‘we are in this together’ to be part of the solution,” she says. “It has to be creating a family atmosphere where we are taking care of each other and taking the time to know what’s important—and, if we can, be innovative and put in place mechanisms to help people.”

Since the labor shortage shows no signs of immediate relief, healthcare systems are having to plan for the long haul.

Stone says that in addition to paying a fair wage, organizations must create a culture that attracts current and prospective employees and differentiates the organization in the market.

“As healthcare providers, people want to have a purpose and really make a difference every day,” she says. “So how can we build that in, that they feel valued and celebrated in doing their work?”