

Increase the Return On your Human Resource Investment

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If you had a five million-dollar investment in real estate or securities, would you try to maximize it? Would you spend time and energy to increase your return?

Most healthcare organizations spend at least five million dollars on human resources with some organizations spending over 75% of their budget. We need to change our perspective and start considering this money as an investment. Human resources should be viewed as an asset to be developed rather than an expense to be minimized.

1. Hire for attitude; train for skills.

Healthcare organizations need a versatile flexible staff to respond to rapid changes in census and patient acuity. Employees must be willing to learn. Five years after I graduated as a staff development director, 75% of what I was teaching did not exist when I was in college. Now change is even more rapid.

2. Cross train

Cross training benefits both sides—managers generally want flexibility and cross training while employees want autonomy and job security. A situation in which cross training is valuable is when medical-surgical patients need psychiatric support, while psychiatric patients have medical-surgical problems such as diabetes and cardiac disease. In another example, nurses who have home care experience can plan better discharges because they understand home situations. Multi-skilled professionals can communicate both ways, coach teams, manage time and make effective decisions. Cross training also fills needs without overworking employees. An organization can save \$60,000 a year when it avoids 80 overtime hours a week by cross training.

3 Support employees

Employees need relevant information and coaching. One manager told her staff "I will support you even if you make a mistake," but she expected them to make well-timed decisions. This non-threatening environment produced a self-confident staff with excellent judgment. It fine-tuned its decisions, saved management time, prevented crises and avoided lawsuits. Everyone collaborated and shared information, resulting in high-quality care. Staff turnover on this unit was .1% a year for five years and the occupancy rate was well over 90%.

4. Retain your employees.

Good employees are scarce due to the tight job market. According to *Working with Emotional Intelligence* by Daniel Goleman, "Turnover bleeds the bottom line...Lyle Spencer estimates that the real cost to a company from the turnover of an employee is the equivalent of one full year of pay." Healthcare has very high turnover. You waste more than \$100,000 if three nurses per year resign.

5. Reward your employees

Show appreciation because praise, education opportunities and special project assignments are as important as money. Coercion causes resentment, resistance to change and an "us against them" mentality. Management and staff should both be on the same side.

6. Be a good role model

Words do not substitute for actions. If a boss treats employees with patience and respect, employees are likely to treat others the same way. Everyone suffers when organizations use dishonesty to achieve goals. Some staff resign, while those who can't such as many single parents, simply burn out. If an organization with 300

employees has 10% turnover, it would cost \$250,000 a year; 40% turnover would cost more than one million dollars annually.

7. Innovate. The 2.5 million nurses in the United States are vastly underutilized. Their innovations could provide substantial savings. In one situation, a patient's address book was lost during admission. To reduce further incidents of lost articles, the staff brainstormed, created a solution and changed the procedure. There have been no more lost belongings two years later. Many organizations take a year to solve a problem that we solved in one hour. Holding 10 meetings a year for 12 people costs \$30,000 annually

Some organizations believe that they communicate with each employee because they have an open door policy. However, many employees don't talk because they fear reprisals or loss of their jobs. Years ago, healthcare organizations were less concerned about money. When a nurse made cost-cutting suggestions, management's reaction was: "You shouldn't be thinking about the budget. That's our job." The result--- no more suggestions.

8. Create a positive organizational culture.

You smile all the way to the bank when your employees use humor at work. People respond to personal warmth whether it comes from managers, customers, or co-workers. Soft assets such as caring, involvement and imagination are the keys to hard assets like profitability. Patients would say; "We love it when the nurses laugh with each other". That atmosphere resulted in a very high occupancy rate.

Profitability on occupancy above a 50% break-even point increases because there is no fixed cost contribution. Your savings are striking when you raise occupancy from 85% to 95%.

Read about ways to regenerate work spirit by reading "*Care packages for the Workplace*" by Barbara Glanz.

9. Provide customer service.

Nurses have the most contact with your customers. When patients say, "I see your ads but don't believe them." They lose trust and will not only avoid you, they will tell their friends to avoid you as well. But when patients recognize excellence, they can advertise for you in the same way. Support nurses so that they can create patient satisfaction. When you use employees to advertise, you save \$50,000 annually.

10. Be involved in community activities.

Since a sales professional's most effective technique is networking, allow your employees to be ambassadors. Consider putting community involvement in your employees' job description. Save another \$10,000 in marketing.

Since excellent healthcare employees are scarce, consider changing your perspective. Begin to view your employees as assets to be developed and utilize all the potential within your organization.

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