

Smart Workforce Management Strategies to Maximize Productivity

In an era when cost seems to trump care, hospitals are challenged to find new ways to extract value from operations already burdened by the need to balance census levels, mandated value-based purchasing and reduced Medicare and Medicaid reimbursements. With labor typically as a hospital's single largest cost, there is opportunity to unlock value through workforce strategies designed to address pressing needs for greater productivity, while supporting improved outcomes and patient satisfaction.

Beyond a growing reliance on supplemental staffing to keep up with varying demand, the healthcare industry as a whole is looking at ways to retool the workforce to address evolving needs. For example:

- Increasing the number of primary care practitioners, such as nurse practitioners and physician's assistants
- Exploring acuity-based staffing models to better balance nurse-to-patient ratios
- Looking to academic institutions to offer more advanced degrees in nursing leadership
- Forming strategic alliances with third-party providers to leverage innovative tools and techniques to drive greater efficiencies

Initiatives like these are designed to enhance productivity, reduce costs and improve overall results in order to strengthen the ability of hospitals to thrive in the future. **Three of the most promising solutions to achieving staffing productivity and savings include productivity benchmarking, web-based labor systems and innovative training programs designed to close skill and experience gaps.**

Benchmarking Productivity

One of the most effective ways to evaluate a healthcare provider's effectiveness at managing clinical labor is to utilize data analysis and peer benchmarking. Although benchmarking data resources have become increasingly easier to access, outside partners can collaborate with hospitals to prioritize the goals of a workforce productivity strategy.

Best practices include analyzing productive and non-productive hours and patient loads, along with intangible factors that influence productivity, such as culture and the layout of nursing floors. Core staffing models often provide the in-house pool of staff to reduce overtime and underutilization. The core staffing methodology guides how hospitals can complement fulltime staff with supplemental labor as volumes rise and fall. **A more flexible workforce can rotate throughout various nursing units, which helps hospitals match supply with demand. Subsequently, a float pool can be expanded to other clinical areas that are impacted by census fluctuations such as physical therapy and radiology.**

Labor Efficiency

- ✓ Productivity benchmarking
- ✓ Web based labor system
- ✓ Innovative training program

Web Labor Systems

The time for reliance on spreadsheets and other paper-based systems to manage workflow is past. While it is important to understand what happened in the past, managing the workforce through a rear-view mirror can dramatically hinder productivity. Any time the census falls, for example, there are impacts to dietary, pharmacy and rehabilitation units. With spreadsheets, reaction is delayed, limiting the ability to make truly impactful staffing adjustments. In the absence of real-time data, it can take days to calculate productivity rates and modify staffing levels—when it's far too late to have a positive impact on the bottom line. To create a structure around productivity, a webbased labor management system can support enterprise-level planning, hiring and scheduling as well as labor functionality in a single dashboard. Web-based tools give healthcare providers a kind of air traffic controller level view of their operations.

With the power of a web-based system, workforce managers have greater visibility into what is happening throughout the facility, as well as the flexibility to adjust staffing levels in alignment with real-time needs. They can capture productivity snapshots that compare daily staffing to census levels and measure units of service delivered throughout a hospital. Scheduling tools allow unit managers to forecast staffing needs as far out as six weeks. With that kind of insight, schedules and shift changes can be communicated to staff members well in advance. The benefits can be far reaching. There is the tactical productivity advantage of greater flexibility in handling the inevitable adjustments that will be required. There are also more strategic impacts on workforce performance. By providing staff with more advance notice of schedules, a hospital can build trust and promote higher engagement, satisfaction and retention.

**\$16 - \$35
million**

savings achieved
with web-based
systems

The ultimate goal of any productivity tool is to decrease total labor costs by providing the right labor, at the right time and at the right cost. **While individual savings will depend on the size of the facility, some organizations that implemented web-based systems have realized savings ranging from \$16 million to \$35 million.**

Specialty Training Programs

While the general labor supply continues to fluctuate, demand for nurses is predicted to grow dramatically. An ongoing nursing shortage is resulting in skill gaps and rising costs, especially within specialty areas. The nursing population is aging, and providers could eventually face empty shifts and runaway labor costs. The U.S. Bureau of Labor Statistics projects the need for 525,000 replacement nurses over the next several years, bringing the total number of openings for nurses due to growth and replacements to 1.05 million by 2022.

The forecasted level of replacement nurses alone calls for a more proactive approach to retention and training. The industry is responding. Nursing program enrollments are up and more nursing students are pursuing baccalaureate degrees. However, one particular challenge with nursing graduates continues to frustrate potential employers: their lack of experience makes it impossible for new nurses to be productive right away and to fill the most pressing skill gaps in hospitals—advanced practice specialties. The situation is equally frustrating for new grads who cannot find employment without prerequisite experience.

Specialty training and apprenticeship programs are now emerging to provide hospitals with a faster return on hiring investments and help mitigate looming shortages. For example, a 14- to 16-week residency program designed to boost assimilation and retention rates helps nursing graduates gain the critical experience hospitals demand while training for med-surg positions or even specialized nursing roles. Other programs give experienced nurses a chance to upskill into specialized nursing roles in OR or ICU, areas where shortages are expected to rise.

Integrating the Pursuit of Productivity with Patient Care

While there was a time when healthcare workforce challenges were addressed by hiring more and paying more, today there is a much greater need to hire smarter and spend less. It is not enough to recruit talented and caring professionals; hospitals need to create the structural framework to deploy the workforce with greater efficiency and effectiveness. Accomplishing that goes beyond building data-rich systems to reduce overtime and maximize productivity. It requires a deep understanding of the healthcare industry, labor market trends and workforce issues. With so many strategies, tools and technologies emerging, many hospitals are leveraging the expertise of a workforce management partner to ensure the right balance in the pursuit of productivity and cost reduction with performance integrity and patient care. The benefits of an effective workforce management plan not only creates greater efficiency and enhances patient care, it creates real savings that can be reinvested into the organization.

Nurse Turnover

17%.....year 1
31%.....year 2
50%..... year 4.5

Source: Robert Wood Johnson Foundation

To learn more about how HealthTrust Workforce Solutions can help you manage your workforce more effectively without sacrificing quality care, call us at **1.877.422.7356** or visit us at healthtrustpg.com/workforce/insight-advisory-workforce/.

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