Workforce in the healthcare industry

Transcript

00:00:07:25 - 00:00:29:13

DAVID TYLER:

Hello. I'm David Tyler, the National Managing Principal for Healthcare for Grant Thornton. Thanks for joining us today where we're talking about a crisis that we see across the country, but is particularly acute in healthcare, that of employee attraction and retention. I'm joined today by my friend and colleague Tim Glowa, who leads our Employee Listening practice as well as our Human Capital Analytics practice. Tim, thanks for joining.

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TIM GLOWA:

David, nice to be with you again.

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DAVID TYLER:

Tim, a shortage of workers before COVID-19 was a real problem. Now it's its own epidemic. What are some short-term things that the hospitals, health systems and other healthcare enterprises can do that they may not have considered already?

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TIM GLOWA:

So I think there's two big things, David, that organizations should consider. The first is -- it's really to start to think like a marketer and to really deeply understand the needs of your stakeholders, your employees. Some of that can just be looking at the demographic profile of your workforce, as a first step. We know that the average age of a worker in America today is 42, yet the average age of a registered nurse is 50, which means nurses are, on average, one step closer to that glide path to retirement, exiting the workforce and so on. If you have, if you're an organization or a hospital system that has a lot of older workers -- I'm not calling all workers old -- but if you're closer to that flight path or that glide path into retirement, that could be problematic for you because that is the average. Right. If your average age of your frontline healthcare workers is 55 or 57, you're going to have more challenges there. The other part, I think, is to really deeply understand and listen to employees. Use employee research, understand their needs and frustrations, understand what motivates them, understand why they join your company, why they leave it. We know that mental health has risen as one of the prominent drivers of stress. It's keeping Americans up at night. And that's certainly the case in healthcare with frontline healthcare workers as well.

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DAVID TYLER:

A couple of things that I might add is that we really need to get creative about how we solution our existing workforce. One of the things we see people doing is cross-training clinicians to operate in other areas, not just in having an exclusive area where they operate, whether that be pediatrics or cardiology or the cath lab, but having some cross-training capabilities there. The other thing that I would encourage is to make sure that we continue to drive to have clinicians operating at the top of their license -- RNs doing things that only RNs can do, leveraging the LPNs, leveraging non-clinical administrative tasks out of nursing altogether. Those kinds of things can be really compelling and can, in turn, increase the value of your existing employees and reduce your dependency on the traveling nurse program, which is prohibitively expensive to maintain over the long course.

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DAVID TYLER:

Tim, in Grant Thornton's State of Work survey, mental health was mentioned as a real stressor in today's economy and particularly in the healthcare industry. How do you balance the need for time off for mental health concerns when understaffing is already such a critical issue?

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TIM GLOWA:

You know, Dave, that is such an interesting question. We've seen mental health rise significantly as a driver of stress for employers, which means it's something that keeps employees up at night. It causes them to lose sleep, which, again, is probably contributing a problem if you're not able to get a lot of sleep. This was kind of a middle-of-the-pack dimension when we surveyed it about six months ago. It's now one of the top drivers of stress for healthcare workers. And the first thing -- we are making progress here as a society and we are starting to recognize the importance of mental health and recognize that it is an illness just like any others, and it needs to be addressed. We can't kind of keep it -- we're shining some light on it and I think that's a wonderful, that's a wonderful thing. Because everybody encounters stress and mental illness potentially at some point in their life. Giving time off is critical to prevent burnout. We know people, if they don't have enough work-life balance, they don't have enough rest, they don't have enough time for themselves, we know that they're not operating at peak performance. We know they're not going to be engaged. When you have a healthcare worker who's thinking about sleep or thinking about the stresses in their lives or their own challenges, they're not operating at the top of their game. And they also may not be as likely to remain in the profession. We know through the pandemic that somewhere around a quarter to a third of frontline healthcare workers have considered leaving the profession.

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DAVID TYLER:

I do think that it's a little bit even more challenging in healthcare than other industries, because, as we've learned through the pandemic, many industries were able to scale operations down. Healthcare had to do the exact opposite. So, there's no way that we can close operations effectively as a health system and a health enterprise in the United States. The thing that we can do is think about that strategically as well. One of the things that the merger game in healthcare has not done really well is service rationalization across multiple facilities. We're going to do orthopedics here ... we're going to do cardio here ... cardiac here ... we're going to do cancer care at this facility. If we do that a little bit differently, we can kind of have a rolling close down of operations that still enables us to care for people in the community albeit in, maybe, a hospital a couple of miles further if you're a multi-hospital system, but that's something that we can think about that we haven't done a particularly good job of as an industry.

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TIM GLOWA:

And think just adding one last comment there too, is we have to make sure that we're caring for the caregivers.

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TIM GLOWA:

David, there's no segment of the healthcare industry more affected by the shortages than nursing. There are estimates that an additional 1.2 million nurses are needed to replace those who are leaving this year. How must the industry respond and reset priorities to correct this?

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DAVID TYLER:

Typically, we throw money at problems like this, and compensation is certainly part of the answer. We need to be fair. We need to have competitive compensation. That is absolutely the case. I do think, though, that one of the things that we sometimes overlook as people that wear suits instead of people that wear scrubs, is that people get into nursing and clinical care delivery out of the sense of altruism, the way to care for people. So we need to make compensation fair. We need to make the benefits interesting to make people feel appreciated and valued. But at the end of the day, we need to make sure that the work they do meets with the mission that they believe that they have to care for people. And if we don't care for them, no amount of compensation, no amount of benefits tweaking are going to compensate for doing something that is not aligned with their values of wanting to take care of people.

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TIM GLOWA:

Higher compensation is almost the new table stakes, right? And if you offer somebody more compensation and they don't want it. I don't know if you really want that worker anymore, right? Something's not something's not right. We have to look at ways to differentiate the value proposition with benefits that deliver more value, outsize value relative to the cost. There's only one benefit and one total reward where the perceived value that an employee places on it equals its cost and that's a salary change. If we were to offer any employee 10 grand in additional compensation, they're going to value it at 10 grand. It's going to cost the company at 10 grand. There are certain benefits -- health insurance in America is typically valued at about 70 cents on the dollar. But then there's other benefits that potentially might have more leverage. And those are the ones where we might spend $1,000 or $5,000, but we get $7,000 or $8,000 in perceived value in the eyes of the employee. And those are the things that we really want to identify and address.

And that's why if we think again a little bit like a marketer, we can understand the needs and the frustrations of our target audience, of our employees -- understand what keeps them up at night. What cost-effective, on-brand solution could we offer as part of your benefits and your total rewards that would take that pain point away? Because if we can do that, we can then differentiate our offering in a really compelling way.

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DAVID TYLER:

I think that's a really compelling argument, Tim, because I do think that there are limits to throwing money at the problem. Again, to your point, hiring nurses from across the street that come over and hiring them back, and every time we do that, it's a 10%, 15%, 17% pay increase -- at some point that becomes unsustainable. And I think we're getting really, really close if we're not there already.

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TIM GLOWA:

David, what are some of the ways healthcare facilities can reduce their reliance on traveling nurse programs?

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DAVID TYLER:

First, traveling nurses are critically important today to make sure that we can keep facilities and units within those facilities operating at their peak capacity to serve the markets and the communities we get to serve. I will say that the original benefit of the bargain of traveling nurses was to allow people to travel. And now some of the benefit of the bargain of traveling nurses is they're traveling across town, they're traveling across the street, they're traveling 40 minutes down the road. Not saying that "I'm going to spend the winter in Florida" or "I'm going to spend the summer in Idaho." They're really more of a day-to-day staffing management capability. And we talk to a lot of CEOs. Many of them are looking at the margins that are in place for nurse staffing companies and looking to either cut back on the ability for them to do local nurse rotations, or I've got several CEOs that are opening their own staffing companies so that they can manage the flow of that and pull the margin out of it and return that to actually care delivery. Or they're looking at partnering with some specific folks to really address acute needs and not use them as a routine part of the staffing. But let's make no mistake -- that industry is here to stay, and it's incredibly valuable. But reducing the reliance on it is critical because you pay at a market premium. We have one organization that says they pay a quarter million dollars an hour, 24 hours a day, in additional nursing staff through a traveling nurse program. Now, that's a large, multi-billion-dollar health system. But at the end of day, eventually you're talking about real money that is not being used to deliver care, but is being used to deliver margin to a company that serves healthcare but isn't a healthcare delivery company.

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DAVID TYLER:

Tim, as always, good to talk to you. Thanks for the time. I appreciate the insights that we were able to get to today. I hope that you, as healthcare leaders across the country struggling with employee retention of clinical and non-clinical personnel, found the nugget of information that will be valued to you as you try to serve the communities that you all live in.