

Chief Executive | Pearl Meyer

Future Proofing Your Workforce



THE PANDEMIC MAY NOW BE ENDEMIC, but health-care companies are still feeling Covid's long shadow. Following a multiyear global healthcare crisis that pushed medical professionals to their limits, heavy turnover and a talent pipeline shortage continue to plague healthcare organizations, large and small.

To address this mammoth challenge, healthcare leaders need a new approach to workforce planning that considers talent needs both in the short-term as well as over the next five to 10 years. At a recent roundtable co-sponsored by *Chief Executive* and Pearl Meyer, industry executives discussed the best way to develop that strategy.

"While there has always been a need to monitor staff retention and vacancy rates, the sensitivity towards that today seems to be considerably higher because individuals are choosing alternative career paths, and the individuals that were once in the labor pool as potential replacements are not there today," said Alexander Yaffe, managing director at Pearl Meyer.

Strategies to Reduce Turnover and Retain Talent

At Siskin Hospital for Physical Rehabilitation, the focus has been on "retention, retention, retention," said president and CEO Matthew Gibson. One piece of that strategy has been a partnership with the University of Tennessee, Chattanooga to develop an onsite Certified Nursing Assistant (CNA) program. "So, they get on our campus, they get familiar with our culture, and they're more apt to stick," said Gibson. "Historically, that's a really high turnover position, at that lower level. So that's been really helpful."

As a second prong of the strategy, Gibson makes an effort to connect personally with employees at all levels. "Morning Muffins with Matt," gives employees an opportunity to chat informally with Gibson once a month, and a similar program offers a small group of five to seven associates across disciplines to connect with Gibson bimonthly. Finally, another bimonthly program offers employees a chance to meet with Gibson's executive management team, without him present. "It's to let them talk, ask questions, really feel like a part of the organization," he said.

Finally, the hospital introduced three new formal awards to recognize outstanding performance, the most popular of which is the quarterly CEO Values award, which earns the chosen employee a \$1,000 check. "We surprise them with a huge cardboard stock check that they can keep and a nice glass memento," he said, adding that while he does acknowledge the need to recruit more nurses, particularly



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for night shifts, "we're trying to really recognize and connect with the folks we have... There's just not enough candidates, not enough people want to work in hospitals, not enough people want to work at night. It's just a really complex challenge, considering the escalating demand."

Jim Shmerling, president and CEO of Connecticut Children's Medical Center, shared another strategy for strengthening bonds with current employees: leadership development. "People tend to leave their jobs because of their managers and their supervisors. So, we're spending a lot of time getting that level of management up to skill set so that they can help us in the recruitment and retention efforts," he said. "We're spending a lot of time looking at how we can help employees identify their career paths and help them get there." The organization has also hired two psychologists specifically to support employees and physicians and to develop a series of programs around behavioral health and mental health support. "It is an investment, not an expense," said Shmerling, "because if it reduces turnover, it more than pays for itself."

Yaffe also noted that in times like these, companies might be tempted to view retention programs as expenses to cut—but they should rethink that. "Even in times where margins are strained, the little things really go a long way."

Margins are indeed tight, said Chuck Callahan, president and CEO of Springfield Memorial Hospital and president of Memorial Hospital Group, who suggested that it will take some time to get back to a sustainable operating margin to be able to reinvest in facilities, equipment and competitive wages. He added that given the shorter tenures, hospitals might need to think more like college sports teams, which experience turnover every year but still manage success. "It's about having structures that you recruit people in for probably a limited period, but they can perform at a top level to

help you achieve organizational goals. That's a design issue of how we deliver care. It's something we've got to think about because people don't stay forever anymore."

Filling the Pipeline

The shortage of workers is one of the key causes of burnout for those who remain, attendees agreed. Shmerling reported working with colleges and even high schools in the area to increase the pipeline of talent flowing into healthcare. "We're helping to develop training programs and getting kids interested in healthcare disciplines at a much earlier stage," he said.

One of the ways to increase the tenure of new hires is to screen for affinity, said Jennifer Webster, who led the Center for Autism and Related Disorders (CARD) as CEO before becoming president of DispatchHealth in mid-October. "[CARD] developed an assessment tool to help identify people who were predisposed to wanting a career in healthcare. We saw an 85% reduction in early turnover within the first six months of implementing this tool."

Hospitals are losing doctors who leave to become administrators, said Robert Hayes, President and CEO of Community Healthcare Network. "We do not value the practice of medicine anymore. We really value the business of medicine—and we're all feeling those consequences," he said. "Doctors, to be successful, have to give up practicing medicine and become basically bureaucrats to make money to get more prestige."

John Williams, who sits on the board of the University of Maryland Medical System, pointed to one significant advantage healthcare as an industry has when recruiting future workers: an innate sense of purpose. "When you're in healthcare, you have an opportunity to sell the notion that what you're doing with your life has unique meaning," he said.

Talent poaching has been another issue, said Ron Slagell, president and CEO of Emergent Health Partners, who noted that the trend of hospitals hiring emergency medical technicians to fill in staff holes has led to a shortage of EMTs. In response, Emergent Health set up its own EMT Academy. Students can attend full-time for a 12-week period while receiving a livable stipend instead of having to find time for school during a busy workweek. "Essentially, we're paying them to come to EMT school," said Slagell, adding they've recruited many people who were previously interested but could not afford to make the switch. "So, that's where we're seeing some successes."

In an effort to further address the burnout crisis, Emergent Health has also experimented with alternative work schedules that are less punishing than the traditional 24-hour shifts. "This is a global problem, and it isn't going away tomorrow, so we've gotta find some different approaches to doing that."



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New technology can create efficiencies that reduce some of the human workload. Deann Thelen, CEO of Jackson Madison County General Hospital at West Tennessee Healthcare, said her organization is actively looking at ways to change old protocols so that fewer people are needed to deliver quality care. For example, she said, right now it's a requirement that nurse check vital signs of all patients every four hours, when only two-thirds or a half actually need it. "So, that's a big part of my day-to-day right now—working with all levels of folks on how we can not do things we've historically always done."

Of course, even well-intentioned or cost-saving change can lead to employee frustration and burnout—like the shift to new technology, said Elise Walton, principal at Pearl Meyer. "People complete a full day of seeing patients and then have to answer all these emails. And they have to learn five new complex systems and those aren't working and there's nobody available to help."

Flexibility—With Hours and Pay

Attendees agreed flexibility, on a variety of levels, has become key to keeping current talent and recruiting new staff, particularly administrative jobs that have been running in hybrid mode for some time. "People are less tethered to their jobs than they used to be, so that just put more onus on how you create connection," said Walton, who shared a program her client is putting in place. "When they ask people to come into work, they create kind of an off-site or retreat where there's an actual plan for what they're going to be working on as opposed to just, 'go sit at your desk.' I think there's a lot of learning to be had about how to work remotely and how to work asynchronously."

Daniel Blum, CEO of ENT and Allergy Associates, said that's why his biggest challenge right now is with back-office staff, "many of whom are still in a virtual work environment," he said. That remote staffing also makes it challenging to manage succession planning. "It's hard to do reviews and things like nine-boxes when people are not onsite and in front of managers."



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Hospitals have had to change up traditional scheduling models, as well. Cheryl Slack, CHRO with OB Hospitalist Group, reported that once Covid was no longer urgent, clinicians did not want to work the same number of hours or shifts. Adjusting that made staffing and recruiting a bit more challenging. “But we realized if we didn’t do that, we were pushing this giant weight up a hill, because that’s what our clinicians wanted. If we had not become more flexible, we were going to have a huge amount of exits from our organization.”

Competitive compensation and benefits are two areas where companies can let talent know they are valued. Right now, leaders in the industry are evaluating their pay packages, looking at competitors’ offerings and benchmarking. “A lot of organizations are reconsidering their compensation philosophies and where base salary needs to be pegged, and they are being more thoughtful about what their annual and long-term incentive plans look like to try to incorporate a degree of retention,” said Yaffe, adding that they are looking at utilizing deferred compensation differently to incentivize long-term retention for high potentials. “What all of that means is that you need to be selective in how you analyze these things and where you offer them because you can’t necessarily offer the same plans to the same people the way you once did. I see a lot of clients and inbound queries around looking at the market differently and finding innovative ways to utilize the combination of salary, performance pay and retention dollars to try to achieve a positive end result.”

Yaffe added that while long-term incentive compensation was once strictly the purview of multi-billion-dollar companies, smaller organizations are beginning to use long-term

incentives over a three- or four-year period to create cash-based incentives. “And then, on the long-term deferred compensation, it’s really, what are we doing around deferred compensation and are we utilizing the tax code to its fullest advantage?”

Benefits also play a key role. Given the multigenerational aspect to staffing, offering the same benefits package to a 22-year-old college graduate and a doctor on Medicare won’t be pragmatic, said Shmerling. “We know one size doesn’t fit all. We know how much money we spend per capita. So, we’re looking at the possibility of spending that same amount but distributing through more of an optional program to let people personalize their benefit package.”

Chris Thomas, president and CEO of Community Hospital, agreed the “one-size-fits-all benefits package is over,” and noted that his company has gone to a full “cafeteria plan” with defined contribution. “We’re really just giving them a pool of money,” he said, adding that for the moment, employees still appear more focused on salary than benefits. “Cash seems to be king right now.”

Benefits won’t be a substitute for competitive pay, Yaffe agreed, but employers could do a better job of explaining the benefits they offer so that employees understand how they are unique.

Yaffe also noted—and attendees agreed—that good stewardship at the top is what will ultimately keep health-care facing its true north as it navigates some choppy waters. “Right now, coming out of the pandemic and dealing with technological shifts are creating a challenging environment. It’ll be differently challenging over time—but strong leadership will get us through it.”

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