FTEs of the Future: Aligning Needs & Skills for Profitable Healthcare Facilities
Introduction

Look around. Chances are most leaders in your organization are nearing retirement age.

Who will carry your organization when the current generation of leaders ages out of the workforce?

Just as important, what are you doing today to counter the massive productivity and revenue losses that follow employee disengagement, or misalignment between needs and skills?

If you want the kind of organization that’s resilient and profitable for many years to come, you might be surprised to learn the very strategies many hospitals adopt to save money can actually cost them far more in a not-so-distant future.
In this resource, we’ll guide you through:

▷ Common pitfalls in employee engagement and succession planning
▷ Building a workforce that can dramatically enhance patient care and profitability
  ✔ Long-term considerations - succession planning, per se
  ✔ Immediate-impact challenges & solutions

Our goal: to leave you with actionable insights that will benefit you now and in the future.
Developing a new generation of workers well equipped to remake the business as new challenges arise is a huge fear of CEOs, reports industry media.

It’s a very real challenge: By 2030, 10,000 people per day will reach the average retirement age of 65, says the Pew Research Center. But don’t think it will take you that long to feel the pain of a dwindling workforce.

Chances are you’re already struggling to fill or retain specialized roles — particularly in facilities management functions, including emergency management, environment of care, safety and compliance.

Many healthcare facilities do a great job of caring for clinical staff with robust training, support and bonuses. The same isn’t true for support or skilled trade staff, however.

It’s not unusual, for instance, to promote a facilities technician to a leadership position just because they’ve been there for a while, despite no training, mentoring or leadership ability. The offshoot? High turnover, loss of institutional knowledge, and a growing reliance on external service contracts that will cost you far more than growing in-house capabilities.

How do you begin to reverse this trend? We’re glad you asked.

Common Mistakes in Succession Planning

- Lack of consensus around the succession plan
- Exclusive focus on top executive positions
- Plan is too rigid
- Technology is overlooked
- Little investment in leadership development
- Failure to train for the future

BECKER’S HOSPITAL REVIEW
Four Practices
You Need to Implement ASAP

Want a strong workforce a year (or even months) from now?
For the sake of brevity, we zoom into four practices that deserve your immediate attention:

- **Identify critical roles**
  those your facilities cannot thrive without — and begin building talent pipelines and succession plans for them. (For us, those were facility site and regional leaders.) Often, you’ll find those are also the hardest roles to fill or retain.

- **Standardize job descriptions**
  for people doing the same type of work, outlining both technical and soft competencies — leadership, interpersonal and other intangible qualities needed to be successful in those roles. Standardization helps you clarify expectations and assess talent consistently.

- **Invest in your people**
  Provide both informal and formal training opportunities, including a leadership development program that matches your culture and different learning styles. Just as important, involve employees in decisions about their own development and career path.

- **Involve the right people in your workforce planning**
  More than HR people, you need a cross-functional team examining your workforce needs: finance, operations, executive sponsors, someone who can pull data analytics, and someone who understands facilities management inside and out.
Often, when healthcare leaders set out to reduce facilities costs, they cut costs that are easiest to control: in-house labor, or salaries. The short-term savings from eliminating full-time employees (FTEs) come at a high, long-term cost, however: Work still must be done, but with fewer staff to do it, facilities are pressed to outsource services. Soon enough, they’re handcuffed to external service contracts that cost far more than it would cost to hire, train and develop a skilled worker in-house.

Consider, for example, investing in a highly technical FTE at $80,000/year. This is someone who’s easily accessible on-site to make crucial repairs with minimal downtime and patient diversion. Someone who knows your processes, priorities and systems. Someone familiar with the needs and quirks of internal customers, and whose loyalty lies with your organization.
Without that FTE, you could easily pay $160,000/year on a service contract for the same work — except with added downtime, varying contractor availability, and limited knowledge of your organization.

This is why investing in employees — those you have today, and those you’ll need to attract tomorrow — is crucial for your long-term, financial health.
Fail to Engage= Restrict Your ROI

At many healthcare facilities, associate engagement is an untapped means of enhancing revenue, and one already available to you. An associate who feels valued will always do more than required, consider what’s best for the organization when making decisions, and stick around for the long run.

As it happens, high associate engagement has well-documented impact on profits:

- **202%** Greater financial performance.
- **22%** Higher profits.
- **26%** Greater annual revenue increase.
- **21%** Higher employee productivity.
- **48%** Fewer safety incidents.
- **25%** Lower turnover.
- **37%** Lower absenteeism.
- **233%** Greater customer loyalty.

Organizations with highly engaged employees outperform low-engagement organizations financially by **202%**. (Gallup)

Organizations with highly engaged employees reap **233%** greater customer loyalty and **26%** greater annual revenue increase. (Aberdeen)

Engaged employees deliver **21%** higher productivity, **22%** greater profits, **25%** lower turnover, **48%** fewer safety incidents, and **37%** lower absenteeism. (Gallup)

Lost productivity stemming from employee disengagement costs U.S. companies **$450–$550 billion annually**. (Gallup)
You can counter disengagement and begin reaping those benefits by adopting two practices:

- **Reduce waste & overwhelm**
  Disparate systems, processes and documentation are common symptoms of a decentralized facilities management program. We often see this in organizations where different entities manage different aspects of the facility. Not only are associates operating in different ways under different standards in this scenario, but it’s also difficult to assess performance accurately or pinpoint metrics at a moment’s notice, which can be a huge problem during a regulatory survey.

- **Build internal capabilities**
  Yes, we’ve covered this before, but it bears repeating from your employees’ viewpoint. Imagine you got little to no resources to grow your professional skills, but your boss routinely paid two or three times your salary to an outsider to handle portions of your job. Doesn’t exactly make you feel valued, trusted or capable, does it? Chances are you’re paying too much for work that could be handled better and faster, in-house, by associates who are immediately available and familiar with your organization.

*Building internal capabilities will not only empower associates with a sense of pride and ownership, but can save your organization time and money.*
An optimized workforce means you have exactly the skills, tools and systems you need, when and where you need them, and in perfect alignment with business and clinical objectives across the organization — no more, no less. It also means you’re working toward self-sufficiency, eliminating or reducing your reliance on external contracts.

That’s only possible when workforce and facilities program decisions are based on data — not hunches or personal preferences. Access to that data requires you to track and monitor all elements that touch your facilities, from technology assets to service contracts, performance, downtime, cost of parts, repairs and more.

Without that data in hand, you can borrow some of ours. A study we conducted revealed that common functions healthcare facilities outsource or plan to outsource include:

- HVAC (68%)
- Building automation (42%)
- Mechanical, electrical and plumbing (57%)

These are all skilled trades where technology is a dominant trend. With higher tech adoption by millennial workers, your opportunity is great to manage those functions internally, efficiently and cost-effectively. What’s more, you’ll also be able to glean richer data from your facilities, which in turn will enable you to accurately identify, avoid and eliminate waste wherever it’s hiding in your facilities.
Where do I find the money to build my workforce?

One hospital we worked with had cut their facilities staff down to a skeleton crew in an effort to save money. The following year, they were short on manpower and resources, and still had to find new ways to cut more money. (Sound familiar?)

By adding staff back into their department, the facility not only added needed skills back into the organization, but ultimately saved money because they no longer needed external service contracts.

Other facilities we’ve worked with opted to outsource to insource: entering a partnership with a vendor where, in the course of providing services, that vendor also teaches skills to hospital employees, so those employees can eventually take over and bring that work in-house. Through internships and technical development programs like this, you have an opportunity to build a skilled, millennial workforce from the ground up into highly technical and valuable FTEs.

In any case, there’s no need to sacrifice staff for the sake of savings if you know where to look for wasteful expenses, starting with external contracts. Whatever path you take toward a high-ROI workforce, don’t wait for the labor gap to grow wider.

Someone is going to attract, develop and keep those workers. Will it be your organization, or your competitors?

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