Have you considered the benefits of workforce management automation for patient care, employee engagement, and productivity?
Automation of workforce management is starting to move from the back office to the bedside, according to a recent HealthLeaders Media survey.

In the next three to five years, hospitals, health systems, and other patient service providers expect to augment their time-and-attendance and payroll systems with integrated applications that enable more sophisticated data crunching around labor analytics, acuity management, and staffing assignments.

The goal? To convert the workforce from overhead to asset—a flexible, agile asset that will help organizations succeed in an increasingly demanding regulatory and competitive environment.

“Our greatest challenge as an industry is to attract and retain the best talent,” says a senior executive at one of the largest skilled nursing and rehabilitation providers in the U.S. “The better your workforce, the greater your competitive advantage. We see workforce management automation as a tool that not only helps us control costs but also improve quality of care and employee satisfaction.”

When systems don’t talk to one other

HealthLeaders’ survey on workforce management queried leaders from a cross-section of U.S. healthcare organizations, including hospitals, health systems, physician organizations, and long-term care/skilled

### Automation of Workforce Management Processes

<table>
<thead>
<tr>
<th>Process</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time and attendance</td>
<td>87%</td>
</tr>
<tr>
<td>HR/payroll</td>
<td>85%</td>
</tr>
<tr>
<td>Productivity</td>
<td>54%</td>
</tr>
<tr>
<td>Scheduling</td>
<td>48%</td>
</tr>
<tr>
<td>Labor analytics</td>
<td>43%</td>
</tr>
<tr>
<td>Staffing</td>
<td>27%</td>
</tr>
<tr>
<td>Absence management</td>
<td>27%</td>
</tr>
<tr>
<td>Variance improvement planning</td>
<td>16%</td>
</tr>
<tr>
<td>Patient/staff assignments</td>
<td>15%</td>
</tr>
<tr>
<td>Acuity management</td>
<td>15%</td>
</tr>
</tbody>
</table>

Base = 150 / Multi-response
nursing facilities. The 150 respondents represent executives across all disciplines—administration, clinical, operations, finance, marketing, and information.

When asked to describe their organization’s processes and technologies for workforce management, approximately one-third of respondents said they have decentralized, semi-automated systems that require significant manual intervention, while another third said their systems are automated but not integrated.

The lack of integration is not surprising to Susan Reese, chief nurse executive at workforce management solution provider and survey sponsor Kronos. “Many organizations plug software in without having a well-thought-out plan for the entire workforce management process. The result is systems that don’t talk to one another and require a lot of manual intervention to bring disparate data together,” she says.

Full visibility leads to millions in savings

The previously referenced skilled nursing facility faced and solved the problem of disparate labor management systems. The organization owns more than 400 skilled nursing centers and assisted living residences and supplies rehabilitation therapy services to around 1,500 healthcare providers. The company has more than 80,000 employees. Approximately 75% of their costs are labor-related, so maximizing the labor on hand is key.

“Many organizations plug software in without having a well-thought-out plan for the entire workforce management process. The result is systems that don’t talk to one another and require a lot of manual intervention to bring disparate data together.”
Prior to 2004, labor management processes at the facility, such as timekeeping and scheduling, were fragmented and decentralized with individual centers determining their own methods. In 2004, they implemented a single integrated workforce management system to handle time and attendance, scheduling, absence management, HR, payroll, hiring, and labor analytics. This system is complemented by specialized business software for pure labor data. The technology is supplied to all of their facilities nationwide, accompanied by education so that center managers not only know how to use the software but also understand the company’s strategies and goals for labor management.

This approach gives them full visibility into workforce management processes across all the centers. Scheduling and staffing data are available in real time, and the labor analytics are pushed nightly to a dashboard viewed by executives at the corporate and divisional levels.

With such immediate, comprehensive oversight, operational leaders can move quickly at the first sign of problems. Staffing patterns are monitored to prevent avoidable overtime and to ensure compliance with regulations in each state. Metrics such as the percentages of total labor related to overtime and to contracted agency services are tracked. Headquarters also looks at data related to exceptions to prevent fraud or misuse.

Before this level of workforce automation, the organization had to manage labor costs retroactively. “You’d look at the previous month’s financials and see that scheduling was way off course and as a result the hours per patient day were over budget. You’d have to...
try to make up for that the rest of the year,” says their executive. “Now we have the systems in place to address problems before they occur.”

As a result, he estimates that his company is saving three to four million dollars annually.

**Right staff, right competency, right time**

Over 80% of survey respondents have automated or semi-automated systems for time and attendance and payroll. Around half reported using automated solutions for labor analytics/productivity and scheduling. Only 27% have automated systems for staffing and absence management, and roughly 15% use automated methods for determining patient/staff assignments and managing acuity.

These findings suggest that automation has made few inroads in areas that impact patient care outcomes. “Workforce management tends to be seen as back office—type software—what you need to run the business,” Reese says. “Many people do not correlate it with the actual care that is being delivered.”

“We have been aggressive in building a vision and a structure that helps us connect workforce management with the business drivers within patient care services.”

Hartford Hospital in Connecticut, however, has made that critical connection. In 2005, the 867-bed hospital, which has more than 7,000 employees, switched from manual to automated workforce management processes. This included the scheduling of its largest internal employee base—the nursing, respiratory, and pharmacy departments.

“We have been aggressive in building a vision and a structure that helps us connect workforce management with the business drivers within patient care services,” says Susan Marino, RN, the director of clinical informatics and chief nursing information officer for Hartford Hospital.

“The workforce automation solution enables us to make scheduling and staffing decisions that support patient care and the flow of patients,” says Marino. “Our patient volumes fluctuate tremendously, and we need to make sure we have the right staff at the right time with right
“Our goal is to get all entities on the same network and technical platform in order to manage our labor force in an integrated, centralized manner.”

competency at the bedside.” She credits Hartford Hospital’s staffing software with enabling the organization to expand or contract staffing at any time based on patient volume and acuity.

Now, Hartford Hospital is expanding into Hartford HealthCare, encompassing five acute care hospitals and numerous other patient service providers. “Our goal is to get all entities on the same network and technical platform in order to manage our labor force in an integrated, centralized manner,” says Marino.

Budgeting: Always a thorny issue

When asked about the obstacles to applying workforce management processes and technologies, 73% of survey respondents mentioned budget constraints. “We operate in a very tight-margin business, and budgeting is difficult,” agrees the executive at the skilled nursing and rehabilitation provider. “When you look at something simple like adding a time clock, investing in technology is easy to justify. A time clock is roughly $2000, and it doesn’t take much for a company to save $2000 in labor costs. But bigger-ticket items like absence management are not as cut and dried. You have to make assumptions about the savings.”

He points out that workforce management issues, like absence management, involve...
culture change, and it can take time for employees’ and managers’ habitual behaviors to shift. “In the short term, your costs could go up because employees are unhappy or they are being worked out of the system, causing your hiring costs to rise. Sometimes things that make sense are difficult to justify. You have to make an educated guess,” he says.

**Is the answer in the cloud?**

Another obstacle is IT constraints, according to the survey. This, says Reese, has a lot to do with governmental changes, like meaningful use and the Affordable Care Act, that are forcing organizations to automate their patient care practices through electronic health records and other initiatives. “IT resources are focused on those issues, so they are less available for projects like workforce management,” she says.

That is one reason why many healthcare organizations are moving to cloud-based workforce management solutions, Reese adds. In cloud computing, the vendor hosts and manages the functions on its servers, meaning the hospital or health system does not have to invest in infrastructure or apply its own IT resources to implementation. “In addition to placing fewer demands on an IT department, a cloud-based application also ensures that the organization has the latest capabilities without worrying about having to upgrade,” says Reese.

**Move over laptop: Get mobile**

A sizable number of respondents (38%) said that their organizations are not embracing workforce management technologies due to the “lack of perceived need to change.” This runs counter to the attitude at the skilled nursing and rehabilitation provider, according to their executive. “When we’re considering a business challenge or endeavor, our systems people are brought in very early to discuss how technology might help. There’s a real belief that technology allows us to operate efficiently with the right controls,” he says.

“We have a younger population of workers, and they appreciate being able to use iPhone versus an old laptop.”

The goal is to provide technology solutions that enable employees to do their jobs as productively and enjoyably as possible. For example, their respiratory therapists use an iPhone to document treatment during the patient’s visit, which is considered reimbursable time from a regulatory perspective. The therapists also clock in and out via iPhone, which has resulted in more accurate reporting. “We have a younger population of workers, and they appreciate being able to use iPhone versus an old laptop.”

In addition to the productivity advantages, their executive believes that labor management technology is one piece of the puzzle—along with appropriate labor management policies, benefits, and clinical processes—that can help organizations improve employee engagement. “We’re seeing more linkages between employee satisfaction and key clinical metrics, such as the incidence of in-house-acquired pressure ulcers,” he says.

**Think strategically, not tactically**

When asked to envision their workforce today and in the next three to five years, the majority of survey respondents saw their labor being transformed from an expensive resource into a flexible asset that functions as a competitive advantage. Given that most healthcare organizations are still in the basic phases of workforce automation, how can they make this transformative leap in the next few years?

Marino says Hartford Hospital’s successful transition to a workforce automation platform was due to several factors:
• **Realistic funding.** “The project was identified as a business driver and organizational priority. We developed a budget that supported the entire process, from system design to implementation to training,” says Marino.

• **Executive-level sponsorship.** “We were going from paper to automation, and the move impacted a huge number of stakeholders,” Marino says. “It was critical that the top levels of management were visibly involved in the project.”

• **Planning, planning, and more planning.** “We made sure that project teams and resources were committed to the project, developed detailed timelines, and provided constant communication to keep everyone informed,” says Marino.

Looking ahead, Hartford HealthCare plans to implement a system-wide governance structure to oversee the workforce management system and make decisions on priorities for new applications to support business needs across the enterprise.

“By including participants from across disciplines on the planning team, you can build a collaborative model in which the workforce management becomes, in a sense, self-management.”

For organizations looking to get the most out of workforce management automation, Reese says to think strategically. “Look at your entire workforce—not just nursing—and identify your greatest challenges. Do you have trouble recruiting? Finding people with the right skills? Once you identify your problems, you can develop a strategic plan to address them.” Finally, she says it’s important to engage the workforce in the strategic process. “By including participants from across disciplines on the planning team, you can build a collaborative model in which the workforce management becomes, in a sense, self-management.”

Across the continuum of care, Kronos® for Healthcare help providers of all sizes develop their workforce into a competitive advantage to support the delivery of value-based healthcare. That’s why more than 3,000 hospitals and 6,000 long-term care facilities use Kronos to control labor costs, minimize compliance risk, and improve workforce productivity while supporting quality care with a quality workforce. Learn more at: [www.kronos.com/healthcare](http://www.kronos.com/healthcare).

*Kronos: Workforce Innovation That Works™.*