

Case Study : Baylor Scott & White Health

Talent challenges spark a wave of innovation



Faced with a challenging talent landscape—an aging population demanding more care and stiff competition for qualified staff—Texas-based Baylor Scott & White Health has responded by embracing digital technologies, from workforce analytics to customized selection technology. Meanwhile, it has developed an innovative approach to accountability for talent, linking staff engagement and turnover to executive pay and transforming leaders into talent coaches.

The product of a 2013 merger, Baylor Scott & White Health is the state's largest nonprofit healthcare system. Its scale has enabled it to develop talent internally and offer potential recruits an attractive career path.

Competing in a changing healthcare market

Like many U.S. hospitals, Baylor Scott & White faces three key challenges in the talent struggle: growing demand for care; shrinking supplies of clinical staff; and increased competition as new forms of care provide alternative job opportunities for healthcare professionals.

According to the Texas Demographic Center, the state's older population grew by nearly 50% between 2000 and 2014.¹ Thus Texas now has the third-largest elder population in the U.S.

Demographic shifts serve to heighten demand for care at a time when supply is dwindling. For example, between 2015 and 2030, demand for registered nurses in inpatient hospital settings is projected to grow by 57%. During the same period, demand for nurses in nursing homes and residential care settings is set to double, while an increase of 74% is projected in demand for nurses in home health settings.

And while demand is increasing, the pipeline of qualified personnel is not. It is estimated that the supply of registered nurses, nurse practitioners, certified registered nurse anesthetists and certified nurse midwives will be unable to meet projected demand.²

Competing for available nurses are new forms of care, such as free-standing emergency rooms and micro-hospitals. These have proliferated in Texas because of an entrepreneurial culture and a venture-capital sector ready to invest in healthcare start-ups.

Harnessing new technologies

Baylor Scott & White has adopted a range of technologies to respond to these challenges. It uses these technologies to assess its workforce needs, track turnover, improve recruitment selection and increase retention rates, and manage human resources (HR) more efficiently.

The organization uses workforce analytics and business intelligence to assess not only its internal talent management performance but also the overall market for talent in Texas, says John Lacy, Chief Human Resources Officer for Baylor Scott & White Health.

Given the size of Baylor Scott & White, it has thousands of online job applications active at any given time. To manage these more efficiently, the



Between 2015 and 2030, demand for registered nurses in inpatient hospital settings is projected to grow by 57%.

Texas Health and Human Services,
Nurse Supply and Demand Projections,
2015–2030, October 2016

company has developed customized selection technology. By reviewing applications based on data about the health system's highest-performing nurses, the technology has improved candidate selection, reducing the number of interviews that need to be conducted and increasing the likelihood of finding qualified matches for open positions.

Enterprise-wide accountability for talent

While technology is a powerful tool, Mr. Lacy sees the workforce as an equally potent force when it comes to talent management. Hence, Baylor Scott & White has introduced systems that provide staff and executives accountability for engagement and retention.

Soon after joining in 2015, Mr. Lacy worked with the CEO to link staff engagement and turnover to every executive's compensation. "When you get everyone's attention that way, they're more likely to operationalize the things you want to do," he says.

To support this approach, Baylor Scott & White created its own monthly HR Close—based on a traditional financial close—which is sent to all managers to inform their operational review meetings. "It has a narrative, with a core set of statistics and ratios, and shows all business units in a cascading manner," explains Mr. Lacy.

Meanwhile, the staff is responsible for both their own career advancement and that of others. For example, emerging executives are required to prepare a regular performance development plan with goals for improvement, to help identify future leaders.³

Rather than simply teaching staff to conduct performance management reviews, it educates leaders as talent coaches. After the merger of Baylor Health Care System and Scott & White Healthcare, Mr. Lacy trained about 3,000 leaders through the Caring Leader Academy, a talent-coaching program. "It doesn't matter what skills people have," he says. "If they have a growth mindset and you are a manager who loves being a coach and challenging them, that's going to make a successful hire."

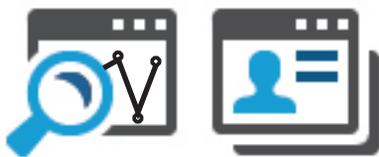
Engagement as a tool for retention

In addition to focusing on enterprise-wide accountability for talent, Baylor Scott & White views employee engagement as a critical tool to attract and maintain a skilled workforce.

Relatively simple measures can be effective. For example, Baylor Scott & White creates a female-friendly workplace by giving employees the time, space and support for breastfeeding after returning to work.

It has also developed an innovative practice to drive engagement, instituting regular "huddles" that bring together employees and leaders to promote frontline ideas that improve the quality of care and increase the efficiency of working practices.

The huddles, says Mr. Lacy, have accomplished more than foster idea sharing. In its most recent staff engagement survey, Baylor Scott & White found that the more often an employee participates in a huddle, the higher his or her engagement level. And giving staff a sense of ownership improves recruitment choices. "You don't want just anybody joining your team," says Mr. Lacy. "That's a huge leverage point."



“It doesn’t matter what skills people have. If they have a growth mindset and you are a manager who loves being a coach and challenging them, that’s going to make a successful hire.”

John Lacy, Chief Human Resources Officer
for Baylor Scott & White Health

Capitalizing on post-merger scale

As a result of the merger, the Baylor Scott & White system comprises 48 hospitals, 9,600 active physicians and 48,000 employees. Thus it is able to attract recruits with opportunities for advancement across the system. “It offers employees the ability to have a rich and incredible career while moving around to many different places,” says Mr. Lacy.

Of course, a merger is not without talent challenges, including defining the new leadership and organizational structure, says Mr. Lacy. “You want to identify the new roles and responsibilities, and get them solidified as soon as possible,” he explains.

Yet scale also provides the ability to develop talent internally. For Baylor Scott & White, this includes opportunities to develop clinical skills. For example, more than 700 residents and fellows from nearly 50 accredited medical schools are training at its hospitals in 14 specialties and 18 subspecialties. These programs are managed in partnership with Texas A&M Health Science Center College of Medicine, and they not only increase the supply of staff for Baylor Scott & White but also contribute to the broader needs of the state.

The merger also helped streamline HR systems. “One of the organizations in our merger had a bare-bones HR technology and the other half of the organization had an outsourced function that was very expensive,” Mr. Lacy explains. Instead, the merged organization created an internal, integrated HR IT system. “We’ve insourced and improved our capability—and we’ve delivered a synergy for the merger,” he says.

Conclusion

In a tough recruiting environment, with clinical staff shortages and intense competition for recruits, Baylor Scott & White has pursued several strategies. While technology creates efficiencies and improves candidate selection, enterprise-wide accountability for talent allows it to harness the energies of all employees—not just HR teams—in driving engagement and retention. “The ultimate scorecard for me is the turnover and the engagement rate,” says Mr. Lacy. “Other things like having a good selection and pipeline strategy feed into that. But you have to start with strong accountability.”

Sources

¹Texas Demographic Center, Aging in Texas, June 2016; http://demographics.texas.gov/Resources/publications/2016/2016_06_07_Aging.pdf

²Texas Health and Human Services, Nurse Supply and Demand Projections, 2015–2030, October 2016; <http://www.dshs.texas.gov/chs/cnws/>

³InveniasPartners, The Evolving Healthcare C-Suite: Trends, Predictions and Strategic Advice, 2015; http://www.inveniaspartners.com/cmsAdmin/uploads/inveniaspartners_the-evolving-healthcare-c-suite.pdf

This article was written by The Economist Intelligence Unit and sponsored by Prudential. To learn more, contact your Prudential representative; call 800-353-2847 or visit Healthcare.PrudentialRetirement.com.

Prudential, the Prudential logo, the Rock symbol and Bring Your Challenges are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

1010952-00001-00

HCFLRE8_0002
10/2018



More than 700 residents and fellows from nearly 50 accredited medical schools are training at its hospitals in 14 specialties and 18 subspecialties.

John Lacy, Chief Human Resources
Officer for Baylor Scott & White Health