

# Talent Management for Healthcare

Talent Management:  
The miracle cure for the  
healthcare industry



# Chapter One

## Introduction

The Australian healthcare industry grapples with a complex economic environment and a unique set of challenges.

Not only do healthcare organisations have to deal with traditional business problems - such as managing limited budgets, recruiting capable staff, and improving employee engagement - they must also grapple with external factors such as government regulation and reform, the ageing population and skills shortages.

While this makes operating a successful healthcare organisation a challenging proposition, the service that this sector provides is arguably more critical than any other. Every day, people call upon the Australian healthcare sector to help them in their time of need, and when the wellbeing of a human life is at stake, business challenges are no excuse for inadequate service.

With such overwhelming demand for healthcare in this country, organisations in this sector simply cannot afford to allow ongoing challenges or external factors to impact the workforce that aims to provide the highest quality of care possible.

A well-constructed, measured and effectively executed talent management strategy can assist with many of the workforce-related problems facing healthcare organisations today by combating engagement, retention and strategic planning problems.

This eBook from Acendre will explain why - and, more importantly, how - healthcare organisations should implement a more effective talent management strategy that will deliver better results to the most important stakeholders of all - your patients.

# Chapter Two

## Evaluation: The state of the Australian healthcare industry

To better understand the scope of the healthcare sector in Australia, consider these statistics:

**1,345**

HOSPITALS WERE IN AUSTRALIA DURING THE 2011/12 FINANCIAL YEAR

**\$40B**

BETWEEN THEM 40 BILLION WAS SPENT ON CARING FOR PEOPLE IN NEED

AS OF THE 2011 CENSUS THERE WERE:

**70,200**

MEDICAL PRACTITIONERS WORKING IN AUSTRALIA

**257,200**

NURSES WORKING IN AUSTRALIA

This data provides some insight into just how enormous the Australian healthcare industry is. However, even with such significant investment and manpower fuelling the sector, decision-makers in the healthcare industry are still, more often than not, required to do much more with much less.

The most recent data suggests there is around 43,400 General Practitioners (GP) employed across the country.<sup>2</sup> However, studies have indicated the average Australian visits their GP 5.6 times per year.<sup>3</sup> In 2013, that equated to just over 128.7 million consultations.<sup>3</sup>

If every GP were to have shared an equal amount of the workload, that would have amounted to just under 3,000 patient appointments per doctor - or 12 appointments each and every working day. Without even taking into account hospital attendance rates, we begin to see the scope of demand and workforce pressure the healthcare industry is experiencing.

### Australia's Ageing Population

Compounding this issue is Australia's ageing population. As a national average, both employees and patients are growing older. There are currently 4.7 million people over 60 residing in the country - the equivalent of 20.1 per cent of the population. That number is expected to climb to 24.6 per cent by 2030, and to 27.6 per cent by 2050.<sup>4</sup>

**THERE ARE CURRENTLY 4.7 MILLION AUSTRALIAN RESIDENTS AGED 60+**

2015  
**20.1%**  
OF POPULATION

2030  
**24.6%**  
OF POPULATION

2050  
**27.6%**  
OF POPULATION

This is a two-pronged issue. Not only are patients within the population growing older and requiring more healthcare and treatment on an ongoing basis, but skilled healthcare workers are retiring and leaving the workforce - 11 percent of male doctors in Australia were aged over 65 as of 2011.<sup>2</sup>

<sup>1</sup> <http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=60129543146>

<sup>2</sup> <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features20April+2013#p2>

<sup>3</sup> [http://www.health.gov.au/internet/main/publishing.nsf/Content/1A9DB6D72BD5879ACA257BF0001AFE28/\\$File/MBS%20Statistics%2020143%20SepQtr%2020141023.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/1A9DB6D72BD5879ACA257BF0001AFE28/$File/MBS%20Statistics%2020143%20SepQtr%2020141023.pdf)

<sup>4</sup> <http://www.helpage.org/global-agewatch/population-ageing-data/cuntry-ageing-data/?country=Australia>

### **Healthcare spending trends**

While access to better healthcare is improving life expectancy, an ageing population is set to place never-before-seen pressure on the industry as a whole. As a result, healthcare funding as a proportion of overall GDP in Australia is climbing, although the country still trails behind other OECD countries such as the USA, New Zealand and the United Kingdom.<sup>5</sup>

It's also important to note that while overall health spending in Australia may be increasing, actual healthcare providers account for only about three-fifths of this funding. Of the \$121.4 billion spent on health in 2009-10, just 39.8 percent went to hospitals, while 18 percent went to medical services - typically private practitioners.<sup>5</sup>

Anecdotally, the majority of healthcare organisations will argue that they consistently struggle with tighter budgets and financial allocations. This lack of funding is not a trend unique to Australia. In a US-based PwC survey, 84 percent of healthcare CEOs claimed to have been forced to cut costs in 2013. Furthermore, around 80 percent noted they were planning to reduce costs in 2014. These leaders highlighted the importance of investing in operational efficiency in order to continue delivering a strong service, despite lack of resources.<sup>6</sup>

In evidence, the Australian healthcare industry is clearly dealing with a number of external pressures, none of which are easy. In the next chapter, we will examine some of the internal effects of these challenges, and how they are driving employee engagement and retention strategies.

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<sup>5</sup> <http://www.aihw.gov.au/australias-health/2012/spending-on-health/>

<sup>6</sup> <http://www.pwc.com/gx/en/ceo-survey/2013/industry/healthcare.jhtml>

# Chapter Three

## Prognosis: Unique challenges facing the healthcare industry

The Australian healthcare industry faces a number of unique workforce problems. The vast majority of these issues stem from three overarching challenges, which center on workplace culture, leadership and the fight for high-quality talent.

### Workplace culture

The idea of 'workplace culture' is difficult to quantify. At its core, it boils down to a working environment where employees feel engaged, motivated and purposeful. Positive workplace culture leads to high levels of employee engagement and low turnover, among other benefits.

Many organisations struggle with shaping their workplace culture. According to the oft-quoted 2013 Gallup State of the Workplace report, just 24 percent of employees in Australia and New Zealand are engaged - a statistic that suggests the majority of employees do not enjoy being at work.<sup>7</sup>

In the healthcare sector, employees have a tendency to view their workplace negatively due to the long working hours and high levels of overtime that are typically seen as a requirement of working in this industry. A U.S. survey of nurses, for instance, showed that these clinicians are most commonly stressed out by heavy workloads, long shifts and limited sleep - a circumstance that will be exacerbated as an ageing population heightens demand for services.<sup>8</sup>

This can become a vicious cycle. Overworked and stressed staff have higher rates of absenteeism, sick leave and turnover, which puts more strain on the employees left behind. On the other hand, studies have shown that employee engagement and job satisfaction are positively correlated with performance outcomes for healthcare organisations.

For example, a 2012 study on Ontario hospitals revealed a strong relationship between high levels of engagement and indicators such as retention, patient care and safety, and how workers rate the quality of services they provide.<sup>9</sup>

### Leadership

Often, successful employees will be promoted until they reach a position where they start to face challenges - typically one that involves leadership.

This is often seen in the healthcare sector, where capable doctors may be rewarded with managerial positions. However, although the employees in question are knowledgeable in their chosen healthcare field, their ability to effectively lead a high-functioning team will be shaped by additional training and formal qualifications.

Data from Survey Monkey showed that healthcare leadership as whole may have room for improvement, with only 45 percent of employees saying they were satisfied with the level of communication they had from upper management.<sup>10</sup> This can compound the previously highlighted problem of challenging working environments.

Untrained leaders put more pressure on employees, compared to managers who have had the opportunity to hone their leadership skills. The latter are better equipped to plan, organise and motivate, fuelling engagement.

### Skills shortage

Finally, one challenge unique to the healthcare sector is lack of generalists in the industry.

The majority of new workers entering the industry today choose to train in a specialised subsector, rather than as a general healthcare provider. Although the number of generalists in training has increased from under 50 in 2005 to about 500 in 2014, the limited number of trainee positions for generalists is still creating challenges for clinicians to pursue this line of study.<sup>11</sup>

Furthermore, many international medical graduates entering the country have specialised in a particular field, as opposed to training in general healthcare provision.<sup>12</sup>

This is a particularly concerning trend for rural Australia. The nature of the services provided causes healthcare organisations to more commonly seek generalists who can respond to a wide variety of situations, rather than specialists whose area of expertise may be limited to certain conditions or ailments.

<sup>7</sup> <http://www.gallup.com/poll/165269/worldwide-employees-engaged-work.aspx>

<sup>8</sup> <http://www.legalnurse.com/wp-content/uploads/2014/06/RN-Stress-Survey-Results-2014-VickieMilazzoInstitute.pdf>

<sup>9</sup> <http://www.ncbi.nlm.nih.gov/pubmed/22688203>

<sup>10</sup> <https://www.surveymonkey.com/mp/healthcare-employee-engagement-survey/>

<sup>11</sup> <https://www.mja.com.au/insight/2014/26/subspecialties-hold-back-generalists>

<sup>12</sup> [http://www.hwa.gov.au/sites/uploads/HW2025\\_V3\\_FinalReport20121109.pdf](http://www.hwa.gov.au/sites/uploads/HW2025_V3_FinalReport20121109.pdf)

# Chapter Three:

## Prescription: Talent Management - What it is and why it can help

Now that we have addressed the external and internal factors putting pressure on the Australian healthcare industry today, we can consider the potential solutions to these issues. Fortunately, there is one overarching initiative that any healthcare organisation can implement proactively in order to improve their workforce and deliver better patient care – and that is talent management.

Talent management refers to the strategic oversight of employees, designed to ensure the right processes are in place to attract new skilled workers, develop and motivate existing staff members, and retain productive, engaged employees who might otherwise have sought greener pastures.

Although talent management must be driven by the Human Resources department, it should be viewed as an organisation-wide initiative, with the involvement of key stakeholders and decision-makers up and down the ladder. Not only must leaders on the ground floor be engaged with talent management strategy to ensure consistency, but the executive group must also be on board to help align staff policies with the wider strategic direction of the business.

This might sound like a lot of work, but the truth is that a successful talent management initiative can help solve many of the problems faced by healthcare organisations in Australia today. Here are some examples:

### RETENTION

A talent management strategy can focus on improving employee engagement and well-being, identifying problems in the workplace and ensuring staff are happy and satisfied with their roles.

### FILLING SKILLS GAPS

Successful talent management emphasises proactive recruitment, both from within and outside the organisation. Healthcare organisations can identify impending skills gaps and move to employ suitable candidates before productivity or performance is impacted.

### EFFECTIVE UPSKILLING

With a talent management strategy in place, organisations can more effectively identify high-potential candidates and provide them with additional training as required. This ensures that as vacancies become available, there are internal employees ready to step up to new opportunities.

### CULTURE OF ACCOUNTABILITY

Talent management can be used to promote a culture of accountability, in which healthcare employees understand their roles within the organisation, and leaders are able to maintain a holistic view over the performance of their department. Through this, teams can achieve ongoing performance improvements.

This is just a brief snapshot into what is possible through a comprehensive talent management strategy. In the next chapter, we'll examine the steps that organisations need to take in order to manage talent more effectively.

# Chapter Four:

## Treatment: Implementing a successful talent management strategy

**1 IDENTIFY YOUR NEEDS AND GOALS**

**2 INVOLVE DECISION MAKERS**

**3 ESTABLISH STRONG COMMUNICATION METHODS**

**4 BRIDGING THE GAP**

**5 PROVING SUCCESS WITH DATA**

In the first three chapters of this eBook, we examined the external factors impacting the Australian healthcare industry, the internal challenges that are arising as a result, and the various ways in which talent management can help tackle these obstacles.

Now, you may be interested in improving the standards of talent management within your organisation. A strong, comprehensive strategy is the best way for healthcare agencies in Australia to meet the challenges the sector faces while pursuing their own unique goals and objectives.

As a whole, there are many benefits to deploying a successful talent management strategy. Although executing an approach can be tricky, organisations that plan effectively and leverage appropriate tools will be able to drive a significant return on investment, particularly as these efforts help to drive employee engagement and retention.

To optimise your approach and maximize value for the whole organisation, it's important to be aware of the key factors that contribute to a successful talent management strategy in a healthcare organisation.

### **Identify your unique needs and goals**

Although many of the HR challenges facing the healthcare industry are unique to the type of work being done by this sector, the majority of organisations will still be able to call on tried and proven methods from the private sector when deploying a talent management strategy.

Step one is conducting a gap analysis - where is your organisation today, and where does it want to be in the future? From there, you can identify your organisation's talent goals and objectives. Make these specific and tailored to the needs of your facility. Rather than simply saying you want to reduce turnover, aim to improve attrition by 10 per cent over the next five years, for example.

Are you looking to boost employee engagement? Do you want to cut the amount of sick days and personal leave being taken by staff? Do you want to reduce locum contracts? Identify your priorities and determine how your talent management strategy is going to work to achieve these objectives. Make your goals SMART - specific, measurable, achievable, realistic and timely - in order to deliver the best results.

Often, technology can assist in this department, providing the concrete data that helps identify problems and shortfalls. This insight into the performance of your organisation also enables you to demonstrate a return on investment based on hard statistics that show the success of change initiatives.

### **Involve the decision-makers**

As we mentioned earlier, one of the most essential components of an effective talent management initiative is buy-in from decision-makers. A talent management strategy should be designed and deployed with input from business leaders if it is to succeed. This step ensures the organisation's wider goals are taken into consideration when crafting the strategy.

Thus, HR departments within healthcare organisations are presented with the challenge of conveying the benefits of talent management. Make no mistake, deploying a talent management strategy requires an initial investment that may be a difficult sell to healthcare executives already struggling with budget and staff difficulties.

The best way to overcome this hurdle is by speaking to these decision-makers in a language they will understand. Although healthcare organisation executives will quite rightly place patient care above all else, they are restricted by government funding and obligations to taxpayers, and must work within these parameters. That's why understanding the particular priorities and factors decision-makers evaluate most closely will help you make your case.

For instance, 56 percent of healthcare CEOs said increasing operational efficiency was the top concern for investment decisions in a 2013 survey - making this an even stronger priority for the sector than for other industries (49 percent of all CEOs gave this response). The same report showed that healthcare leaders put cost-reduction goals at the center of their restructuring initiatives in the previous year.<sup>13</sup>

Therefore, using cost analysis and opportunity cost data to convert your talent management strategy into something tangible, with a real return on investment, will provide them with something to properly assess and review.

For example, let's assume your talent management strategy includes provisions for more effective recruitment and succession planning, with methods to have the next hire lined up to fill key positions before they are vacated. While this will require investment - potentially in the form of specialised software, additional training for staff members and heightened recruitment efforts - it is well worth the initial expense.

This is because, more often than not, an unfilled vacancy will result in patient care being compromised. In order to offset this, healthcare organisations unprepared for an unexpected departure

may be required to spend even more money on bringing on board locum or agency staff. Worse yet, you may need to pay overtime to ensure the work is completed at a much higher rate than an additional full-time staff member would cost.

Additionally, high levels of turnover can be costly for organisations. According to a 2014 study published in *BioMed Central Journal*, turnover costs Australian healthcare organisations an estimated AU\$16,634 per nurse. But the effects extend beyond this price point, influencing staff morale and stress, productivity, and patient safety and satisfaction.<sup>14</sup>

With examples like this, you are expressing the real benefits of talent management not just in terms of idealistic hopes for the future, but in the sense of a practical return on investment. The objective aims both to improve patient care and deliver better financial results for the organisation.

### **Establish strong communication methods**

It is also beneficial to think carefully about the communication methods you employ when implementing a talent management strategy. Research has shown that roughly 75 percent of change initiatives fail to achieve their objectives in the long term, an issue that stronger communication and involvement by all stakeholders can remedy. You need to have strong communication plans both for internal staff and external stakeholders.

Starting with internal staff, it's important to gauge the mood of the environment and tailor your communication strategy accordingly. Talk with staff to find out the biggest challenges they face on a day-to-day basis. Involving more people in the planning process will allow you to develop a better understanding of the things your talent management strategy needs to address.

The external communication strategy is a little more complicated. There are political implications involved in the healthcare sector that would not be a challenge for private businesses. Whenever public money is being utilised, it is essential that business leaders have plans in place to demonstrate where that money is going and why.

With both your internal and external communication plans, make sure you have a strategy in place for highlighting successes. Choose spokespeople who will give both the public and your employees more confidence in your results. Having both long-term objectives and short-term 'wins' mapped out will also enable you to continue working toward overarching goals while demonstrating results.

<sup>14</sup> <http://www.biomedcentral.com/1472-6955/13/11>



# Chapter Five: Where to from here?

## **Bridging the Gap**

People, Processes, Technology: The 3 essential considerations of any operation. In order to bridge the gap, we need to take an audit of where we are in these 3 components. Starting with internal staff, it's important to understand your workforce. Talk with staff to find out the biggest challenges they face on a day to-day basis. Involving more people in the planning process will allow you to develop a better understanding of the things your talent management strategy needs to address. Then look at your processes: Are the processes today enabling you to be efficient and effective in meeting your goals and objectives? And finally, are your current technology and systems supporting your goals? Are they able to give you the insights you need to make informed decisions to progress?

## **Providing Success with Data**

With the foundation established, we can now move forward with reporting, analytics, predictive analytics and insight to achieve success in streamlining the your talent management process. You can start answering the questions of: 'what has happened, why has it happened, and what can happen in the future'.

In the wake of an ageing population, growing financial pressures and a skills shortage that is resulting in a lack of generalists, the healthcare sector needs to act to ensure it is prepared for the future. Fortunately, an effective talent management strategy has the potential to ease the strain caused by external pressures.

As you've probably ascertained, implementing a talent management strategy within a healthcare organisation is no small endeavor. However, the potential benefits on offer are substantial, not just for the facility in question, but for the healthcare staff who work there, the patients who receive treatment every day and the general public.

For that reason, it's important to start the process now. That way, you can get on the road to more effective talent management and begin overcoming some of the early obstacles that may present themselves when your strategy is in the developmental stages.

While there will always be hurdles, taking action is the best way to ensure your organisation continues providing the most effective care into the future. Begin evaluating your talent management needs now, get stakeholders on board and open up the lines of communication with your staff, so you can begin reaping the benefits of effective strategy as soon as possible.

For more information about successful talent management in the healthcare sector and the tools available to assist with the process, contact Acendre today, or visit our website at [www.acendre.com](http://www.acendre.com).

To learn more about Acendre,  
visit [www.acendre.com](http://www.acendre.com) or follow  
us on Twitter at [@AcendreTalent](https://twitter.com/AcendreTalent),  
LinkedIn, Google Plus and YouTube.

## About Acendré

Acendré is a worldwide leader in secure cloud-based talent management software. The company's solutions address the unique needs of organisations that require a high level of configurability to manage complex workflows and interoperability challenges. Acendré serves both public and private sectors, including Government, Education, Healthcare & Community Services, Utilities and Mining. With offices in three continents, the company's solutions are deployed in over 200 organisations around the globe, including almost 100 federal agencies, helping these organisations recruit, engage, retain and develop their employees to improve workforce performance. A recipient of numerous awards and with almost 400,000 users, Acendré processes over two million resumes a year and over two million transactions every week.

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