

Nursing Homes: Long Term Care Management, article by John Weiser, June 9, 2006.

How to Save Money While Recruiting, Training, and Advancing Your Workforce

Do you worry about where your future workforce will come from? Have you tried to explore alternative strategies for retaining and advancing workers, but met with limited results? You may be surprised to learn that innovative partnerships with community organizations can help you to both attract and advance employees from underserved communities across America – and reduce costs at the same time.

As an example, consider Genesis HealthCare, one of the United States' largest long-term and rehabilitation therapy providers, which created a unique approach to the industry's challenge of acute workforce shortages. Through its partnership with WorkSource Partners, a workforce development organization, it increased retention and was able to reduce costs associated with staffing agencies in its Massachusetts sites from \$1 million annually to nearly zero.

How did Genesis HealthCare accomplish this feat? Like many businesses in the long-term care industry, Genesis HealthCare has been faced with acute workforce shortages. The Bureau of Labor Statistics projects that direct care jobs (RNs, CNAs, Nurse Assistants, Home Health Aides) in the industry will grow to 2.7 million from 1.9 million this decade—a 5.6 percent annual growth rate. Yet during the same period, BLS predicts only a 1.1 percent growth in the labor force. For Genesis HealthCare, the vacancy rate for LPNs and RNs was already 12.9 percent among its 45 New England region sites—equating to 161 vacancies. Compounding this supply problem are the anticipated retirements of 200 New England-based Genesis HealthCare nurses in the next five years (from 2006 to 2010). In order to meet its staffing needs, Genesis HealthCare's Heritage Hall facilities had been spending \$1 million per year on RN and LPN staffing agencies alone.

Genesis HealthCare worked with WorkSource Partners to develop the Heritage Hall Campus on Campus program to help meet this growing need. WorkSource Partners is an organization that provides and coordinates training, career counseling, and hiring services to companies such as CVS/pharmacy, Genesis HealthCare, Gillette and Partners HealthCare System. It helps its clients invest in their entry-level workers and address the significant "skill gaps" in today's workforce through the delivery of career initiatives for entry-level employees.

Campus on Campus is a career advancement program that helps entry-level workers (many from underserved communities) in CNA, housekeeping, and dietary positions move on tracks toward LPN and RN nursing jobs. The program takes a three-pronged approach:

1. Provide intensive career counseling to employees,

2. Facilitate access to education and training programs, and
3. Cultivate management support within the organization.

As part of the program, local community colleges provide training and education services directly at the Genesis HealthCare worksite. Specifically, Campus on Campus provided a continuum of education in five broad areas of need:

1. GED, ESOL and basic literacy programming for employees held back by their limited ability to communicate, or lack of a high school credential;
2. Pre-College courses (including developmental-level courses), for individuals ready to advance in their health care careers, but who need additional preparation to qualify for college-level courses.
3. College-level pre-nursing courses (e.g., Human Development and Psychology) needed to qualify for entry into LPN or RN programs.
4. Job-skills training to help individuals take the next step in their careers, for example, CNA trainings (for service employees) and Geriatric Nursing Assistant Specialist (for CNAs); and,
5. An onsite evening and weekend LPN program designed to accommodate the needs of Genesis CNAs who need to combine work and study.

The net result is new career and job growth opportunities for current staff and significant cost reductions to Genesis HealthCare through increased retention rates and a reduced need for temporary agency hires.

Heritage Hall Campus on Campus began an operation at Agawam, Massachusetts, in the spring of 2001. The Campus on Campus program is in place at four Genesis HealthCare Heritage Hall facilities and a similar program is in place at an alliance of 11 long-term care facilities. Since 2001, as a result of the services available at these locations, over 700 employees have received career counseling and case management support, and nearly 50 new LPNs have graduated. CNA retention and turnover costs were reduced by over 75 percent from 2002 to 2004. Open positions were cut dramatically. Most impressively, RN and LPN agency fees at the Heritage Hall facilities were reduced from \$1 million per year across the four facilities down to zero in three facilities, and down significantly in the fourth. The CNA fees were eliminated entirely. The Campus on Campus program is now in the planning phases of being expanded across the Genesis HealthCare system sites in Massachusetts and in parts of Connecticut.

Genesis HealthCare's success in building partnerships and strategic alliances to meet pressing workforce needs is an example of a strategy documented in the new book *Untapped: Creating Value in Underserved Markets* (Berrett-Koehler, 2006, 200 pages, \$28.95). This strategy is often used when the training and education necessary for employees to advance is too expensive for companies to pay for by themselves, and when employees need assistance to get training and education. Strategic partnerships allow companies to overcome the bottleneck in the process of advancing employees to more senior, hard-to-fill positions in the firm.

Companies create partnerships with workforce development organizations, government agencies, and community colleges to design tailored training programs that meet both their needs and those of their employees. The companies provide guidance on the demand for trained workers and on the specific skills that the workers need to possess in order to advance. Employers may also provide input on curriculum development and equipment. In certain cases, they may even provide their own supervisors as teachers and trainers, ensuring that students are trained in the “company way” before they ever arrive on the job.

In addition to strategies to build successful partnerships and strategic alliances, *Untapped* offers four more recommendations for companies to work with underserved communities for mutual benefit:

1. *Mine and translate local market information:* The social networks that connect your company to good recruits from underserved communities may be weak or nonexistent. You can address this by working to build a social network from among your company’s employees or through community involvement activities, or you may tap into existing ones through partnerships with organizations that have extensive ties in these communities.
2. *Adapt your business model to community realities:* When you first hire employees from underserved markets, you may find that workforce entry, retention and advancement pose unique challenges. Companies who have succeeded in these communities have developed approaches such as providing training to employees and supervisors on the “soft skills” needed to perform well in the workplace, helping employees to get access to supportive social services, and building training opportunities tailored to the needs of this workforce.
3. *Change internal incentives and challenge cultural assumptions:* A dramatic increase in workforce diversity in your company, if not managed well, can lead to miscommunication, misunderstanding, and conflict. To successfully integrate new recruits into an existing workforce, it can be important to increase awareness of issues created by cultural diversity, and to create a “safe space” to raise and resolve concerns and conflicts.
4. *Improve the enabling environment:* In the United States and in many other countries, the education system sometimes does not adequately prepare the emerging workforce for the jobs that employers need to fill. The web of social supports required for a workforce to get to work and to stay at work – transportation, childcare, affordable housing – may be frayed or absent. Your company can join with others to help drive improvements in the enabling environment, so that recruits arrive at your company ready and able to work in today’s challenging environments.

These approaches have enabled companies like yours to successfully hire from, sell to, and purchase from undeserved communities in ways that create benefits for both company and community.

For more information on the book and on co-authors Steve Rochlin, Michele Kahane, and Jessica Landis, visit www.untappedbook.com.