Aligning staff with business goals builds a stronger surgery department

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ligning employees with organizational goals is a challenge in any industry. In a hospital OR, staff alignment is important because it can affect everything from efficiency and costs to clinical quality and patient outcomes.

Directors face many common obstacles to focusing staff on OR business goals. In some hospitals, differences in the staff work ethic hinder efforts to boost productivity. In others, a “culture of entitlement” makes it hard to get staff behind efficiency improvements. Many surgical services directors report that staff are simply indifferent to the business needs of the OR.

There are no easy solutions to any of these problems. However, leaders in top-performing ORs have explored many strategies for creating stronger staff alignment. Effective tools include education, incentives, and better overall organizational structure.

Educate and experiment
Generational differences have become increasingly prominent in perioperative nursing. In many ORs, the staff consist largely of an “old guard” of nurses in their 50s working alongside a “new guard” of freshly minted nursing graduates in their 20s.

Anecdotally, these staff cohorts often exhibit different attitudes toward their jobs. Typically, the older nurses display a “stay until the work is done” mindset; younger nurses prioritize work/life balance and value predictable start and end times. This culture clash can create problems when it comes to planning work hours, shifts, and compensation.

Beyond generational differences, nursing culture in general prioritizes patient care while tending to devalue business needs and objectives. Nurses see themselves as caregivers, not as members of an important business enterprise.

The starting point to addressing both problems is to educate staff on the business of an OR (sidebar, p 25). Review the department operations report during staff meetings. Make sure staff understand the overall revenue and expense picture, and take a close look at specific charge and spending categories. Many nurses don’t know how an OR bills for services—or the department’s high level of supply and labor costs and expenses related to bad debt.

Provide ongoing updates on key operational metrics, including cancellation and late start rates, turnover times, surgical minutes by time of day and day of week, and utilization. Staff should understand how efficiency measures affect revenue, costs, and case contribution.

In every communication, emphasize that while quality is paramount, running the OR business effectively is critical to maintaining a strong care environment for patients and a positive work setting for staff. Ultimately, the goal is to help staff understand how helping to achieve strong OR business performance is in their own best interest.
Devise incentives
Guaranteed salaries provide a strong incentive for staff to cover late shifts and weekend call (see OR Manager, March 2014, p 24). Some hospitals provide a bonus percentage for nurses who work evenings or other hard-to-schedule shifts. Approximately half of all nursing organizations pay shift differentials.

Even in hospitals where financial constraints preclude compensation-based incentives, surgical services directors can create effective non-monetary rewards. Many ORs provide small gift incentives such as movie tickets for nurses who achieve performance milestones. Perks and simple recognition programs can also be very motivational.

We recently visited an OR where staff were working to improve on-time start rates. The department established a policy that OR teams with the best setup times would be allowed to break for lunch first. This simple reward boosted efficiency and nurse satisfaction.

Clarify expectations
In many hospital ORs, a culture of entitlement leads to frequent sick day call ins and excessive requests for vacation time. Staff members are relatively insensitive to the coverage needs of the department, leading to problems with schedule management.

Often, policies regarding sick and vacation time are weak or unenforced. For example, we recently visited an OR in which management granted nearly any request for a Family and Medical Leave Act (FMLA) day off, even for reasons not covered by the law.

The solution is to establish clear and strong policies on paid and unpaid time off. First, define sick time, clarifying what is and what is not an FMLA day under US Department of Labor regulations. Make sure staff understand their paid sick time benefits, and communicate that excessive sick time is grounds for termination.

Second, explain to staff that vacation time benefits do not take precedence over the coverage needs of the department. Establish a policy that staff cannot take more than 2 consecutive weeks of vacation time. In addition, state that if management receives multiple vacation requests for the same week, vacation time will be granted based on seniority.

Third, establish a clear disciplinary process. Staff who abuse sick and vacation time should first receive a verbal warning with counseling. Follow up on continuing problems with a written warning and more coaching. Review disciplinary files every 3 months, and clear disciplinary actions only after a full year of appropriate behavior.

Cultivate teamwork
Negative organizational dynamics make staff alignment a special challenge. In some ORs, staff members continuously question management decisions. This “culture of resistance” is especially strong whenever changes might alter accustomed work practices. In other ORs, generational culture clashes may lead to mistrust between senior and junior staff members. Both situations make it difficult to improve department performance.

A “mini MBA” for OR nurses
When nurses understand the business of the OR, they are more able to make decisions in light of department needs. Help staff understand:

- How an OR makes money. Explain charge capture and billing, the importance of accurate documentation, and the gap between gross and net collections.
- The OR’s expense structure. Provide data on labor and supply expenses, the cost of individual supply items, and the scale of bad debt and charity care.
- How efficiency impacts margins. Connect the dots between timely starts, efficient turnover, OR utilization, and case contribution.
- The importance of OR performance. Make sure staff understand the OR’s key role in the financial viability of the hospital.

Editor’s Note: OR Manager offers several avenues to acquaint perioperative services staff with business principles and best practices: our monthly OR business performance column and other articles, our semimonthly webinars, and presentations by experienced OR leaders and business experts at the OR Manager Annual Conference (September 17-19, 2014, Long Beach, California) and the OR Manager Business Management Conference (February 16-18, 2015, Orlando). For more information, visit www.ormanager.com.
An effective solution is to create shared governance teams to make important decisions for the department. Include representatives from management and frontline staff.

During monthly meetings, governance teams should address department problems and discuss possible solutions in light of staff experiences. Areas of attention include work environment issues, like how to handle long calls, and clinical efficiency challenges such as turnover processes. Shared decision-making can be very effective at converting competitive staff members into energetic collaborators.

Another solution to a negative culture is to establish mentoring relationships. In some ORs, senior staff members are paired with junior nurses for prefecting and training. Mentoring relationships allow disparate staff members to get to know one another and begin working as a team. Mentoring breaks down personal barriers, builds the skills of junior staff members, and allows all staff members to learn.

Negative culture can also be created by staff members who complain excessively. Constant complaining can undermine organizational morale. On the other hand, nurses must see it as both their right and their responsibility to speak up about any quality or safety concerns.

The solution is to address the problem of complaining directly in staff meetings. Clarify the difference between speaking up about quality and safety versus grousing about hours, management, coworkers, and other issues. Work with staff members individually to help them understand how excessive complaining weakens performance. If a complainer does not improve after coaching and mentoring, discuss the problem in the individual’s annual evaluation. Depending on the situation, intractable complaining can preclude a merit pay increase.

**Management, heal thyself**

It is important to realize that lack of organizational alignment can be a symptom of management problems, not staff problems. The root cause may be a poor leadership structure.

Surgery departments that are divided into “functional silos” do not develop strong alignment between staff activities and OR goals. For example, an OR manager might have responsibility for ensuring patients are ready for surgery but no direct authority over preadmission testing (PAT) functions. Depending on the relationship between the OR manager and the PAT manager, the functional areas may or may not develop strong alignment.

The solution is to strengthen the management structure of the OR. First, ensure that one individual has clear authority for the entire perioperative continuum. Leadership accountability should extend across PAT, the OR, critical care, and central sterile processing, with a strong dotted-line relationship to materials management.

Second, create a lean reporting system with minimal layers of management. Fewer layers between department leadership and frontline staff will help minimize “static” when it comes to communicating goals.

Third, give frontline managers appropriate cross-functional authority. For example, management structures should facilitate the movement of nursing staff between the main OR and same-day surgery as needed.

The ultimate organizational improvement is to establish multidisciplinary governance of the entire OR. A multi-stakeholder Surgical Services Executive Committee is able to set clear strategic and operational goals for the department. Collaborative governance creates strong alignment between all OR leaders, which naturally trickles down to frontline staff.

OR directors and managers should also make sure their own leadership style
supports staff alignment. In some hospitals, staff lose sight of organizational goals because leaders appear to be distant from the everyday realities of the department. Senior and mid-level managers must find ways to remain engaged in the daily activities of the OR. Personal visibility is key to persuading staff that stated department goals are in sync with frontline realities.

This column is written by the perioperative services experts at Surgical Directions (www.surgicaldirections.com) to offer advice on how to grow revenue, control costs, and increase department profitability.

Reference