

WHITE PAPER

Concierge Services Help Deliver Better Work/Life Balance

The Challenge

One of the most critical challenges facing the health care industry today is recruiting and retaining quality staff. This fact should come as no surprise as, for the third consecutive year, Watson Wyatt and WorldatWork, an association of Human Resource professionals, confirms that employers report difficulty in attracting and retaining employees, especially critical-skill and top-performing workers.

The ability of a hospital to attract and keep excellent physicians, nurses and other staff obviously affects the quality of patient care. But the inability to hold onto these employees can also have a significant, negative impact on an institution's bottom line.

The Nursing Executive Center, part of the Advisory Board Company in Washington, D.C., estimated in 2000 that average replacement costs for a medical/surgical registered nurse are 114 percent of annual salary and 156 percent for a specialty nurse. Author of *Caring for the Caregiver* (Jones and Bartlett), Michael Sherburn, says replacement costs are between \$60,000 to \$80,000 per nurse.

Beyond these financial implications are several other factors affecting the health care industry:

- Skill shortages in some critical health care professions
- A declining number of new entrants to the health care labor force, due in large part to public perception that health care is not an attractive career choice
- The aging population and work force
- Increased service demands from baby boomers

American Hospital Association research shows that by 2010, the need for health care workers will be twice that of non-health care occupations, necessitating five million new health care workers.

The net result is greater difficulty in recruiting and retaining employees with the skill sets needed to deliver quality healthcare services in the face of growing demand. Annual employee turnover can easily range

from 20 percent to much higher, even over 100 percent. These turnover rates have both near- and long-term implications for patient care and productivity, and certainly represent a potential barrier to an organization's goals of clinical excellence, customer service excellence and corporate effectiveness.

Other industries face the same challenge of attracting and keeping quality staff, a problem which is expected to only get worse as less workers are available in coming generations.

Improving Work/Life Balance

While there are many different approaches to avoid the costly ramifications of employee turnover, one key strategy to deal with this problem is to help employees attain much higher levels of satisfaction with both their work and with their organization as a place to do that work. There is no doubt that higher employee satisfaction improves a hospital's ability to recruit, retain and motivate the best health care talent in a very competitive marketplace. This, in turn, provides the organization a host of benefits, including better patient care and safety, higher patient and employee satisfaction, cost savings from lower recruitment and training costs, and improved employee productivity.

Two areas of focus are receiving increasing attention as research is revealing a linkage to employee satisfaction and associated recruitment and retention:

1) Work/life balance

MetLife's 2005 *Study of Employee Benefit Trends* reports that more than half (56 percent) of today's employees say work/life balance is a key job selection criterion and about four in 10 full-time employees tell us their benefits are an important reason why they remain with their employer. In fact, says an article in The Herman Group November 2006 e-newsletter, *Evolving Employee Benefits*, the focus for the youngest members of today's work force is now "life/work" balance. They want to know how their work will enable them to live the types of lives they want to lead. Work is an enabler of life – not the reason for it.

2) Stress reduction

More than half of working adults say they are concerned with the amount of stress in their lives, according to a survey by the American Psychology Association. A 2004 Harris Interactive Study reports one

in three US employees experience feeling chronically overworked. And the Watson Wyatt and WorldatWork survey showed that 24 percent of workers cite stress as a reason for leaving their employer.

Employees who report high stress levels and poor work/life balance do not rank their leaders as favorably as employees who report low levels of these two factors, according to a survey from ISR, a Chicago-based research and consulting firm.

For people working in the health care professions – the majority of whom are women – the hectic pace and on-the-job challenges, coupled with the day-to-day demands in their personal lives, can be overly stressful. Over time, this can lead to lower work performance, poor morale, burnout and turnover among existing employees, as well as recruitment difficulties as potential new entrants to the workforce perceive health care to be an undesirable work environment. Maintaining a high level of employee satisfaction and quality of life are critical components to achieving improved recruitment and retention.

The Concierge Services Solution

A particularly innovative approach to improve work/life balance and reduce stress applies a concept that the hospitality industry has successfully used for years: concierge services.

An on-site concierge program is an ideal way to provide stress relief and assistance for employees. Response to this idea has been overwhelmingly positive, enabling staff to experience a life that is a little less complicated, a day that is more manageable, and free time that is more enjoyable.

These concierge services are designed to offload time consuming chores and life's little emergencies, easing stress and helping employees feel more appreciated. As importantly, however, they should incorporate a holistic approach which includes patient-focused care through services that make patients more comfortable and visitors feel more welcome as well.

The following examples represent the types of concierge services frequently offered:

Errand Running - Handling personal and/or business errands such as courier services, vehicle services, shopping, home-sitting services, etc.

Convenience Services - Dry cleaning, shipping/mailing, getting stamps, gift wrapping, etc.

Transactional Services - Obtaining tickets, buying gifts, making reservations, etc.

Home-based Help - Waiting for a service person, handling lawn maintenance, watering plants, bringing in the mail, arranging for pet care, etc.

Corporate Support - Conducting fund raising campaigns, implementing service excellence initiatives, administering recognition programs, etc.

Information Research - Information and referrals on a wide range of topics such as product research, travel, contractors, recreation, sports, financial services, volunteering, etc.

Child/Elder Care - Researching care options, identifying programs and services, exploring adoption, etc.

Event Planning - Planning an employee recognition dinner, a business meeting, a company picnic, a birthday party, a reunion, or any other event.

Travel Planning - Obtaining passports, arranging airfare/hotel/car rental, exchanging currency, etc.

Guest Relations - Making guests feel welcome and appreciated by having a concierge attend to their every need ... arranging for travel or accommodation needs, providing tours, taking care of floral and gift delivery, etc.

Implementing Concierge Services

Critical to implementation of on-site concierge services is to staff the concierge positions with trustworthy, resourceful and dependable individuals with extensive hospitality and customer service backgrounds. Additional benefits accrue from having the concierge establish local working relationships with vendors and suppliers, offering special discounts and programs for the institution.

Another important element of implementation is promotion. The communication about the program can be accomplished in many ways, both through existing channels as well as creative, new ones. One advantageous characteristic of a concierge program, however, is that positive experience with its services spreads quickly by word of mouth so employees who use the services soon become its best endorsements. Furthermore, satisfied "customers" return repeatedly as they experience the value of having help handling their chores and obligations. On average, each customer uses the concierge services six times during the first year and continues to increase in subsequent years.

Requests for services are fulfilled on a “first come, first served” basis, with a scheduled time for completion communicated to the customer based on the type of service and the volume of requests already in process. For example, lunch pick ups from local restaurants, which is very popular, is typically scheduled first thing in the morning.

The annual cost of the program reflects the agreed-upon level of on-site staffing (typically ranging from two to six concierges) and includes such costs as staff compensation, utilization reporting, satisfaction surveys, marketing/communications, insurance and training. Concierges are trained in such skills as excellent customer service, phone etiquette, listening skills, how to handle difficult situations, hospitality training, Internet searching, and satisfaction gauging, to name a few.

The institution generally pays for the program as part of the employee benefit program so that users only pay for directly incurred expenses such as dry cleaning bills or car repair invoices.

Expanding the Program

One of the newer concierge services outlined above, corporate requests, has developed over time as the performance and responsiveness of concierges clearly indicated they could do more for their institutions. In these cases, concierges coordinate a number of organization-wide services which unburdens other functions in the organization. For example, the concierge office might:

- Administer a laptop-computer rental program for patients and guests
- Arrange for the dry cleaning and laundering of employee uniforms
- Manage the organizations’ ticket procurement to local entertainment venues, zoos, museums, etc.
- Assist with ‘spot award’ programs in which supervisors purchase “XYZ bucks” from the concierge to recognize employees whose performance goes “above and beyond”. The employees can redeem these “XYZ bucks” for concierge services or at the cafeteria, gift shop, or coffee shop
- Sell merchandise supervisors can purchase for awards, reading materials for managers, tickets for corporate functions, etc.
- Assist the human resources department with morale boosters, team-building exercises, social events, and the annual benefits fair; assist other departments with office lunches, group discount tickets, and employee gifts, or

- Assist in conducting annual giving campaigns such as the United Way fund drive.

Judging the results

Higher employee satisfaction is one goal of the concierge services program and the more people who use the services the better; thus utilization is a key measure of performance. Inevitably, utilization increases rapidly in each successive year of the program, usually exponentially (for example, quadrupling is not unusual). The most requested services are:

1. Personal courier services
2. Automobile services
3. Mail, shipping and stamps
4. Dry cleaning and laundry services
5. Buying gift certificates
6. Procurement of flowers, balloons and candy bouquets
7. Having film processed
8. Buying products on hand
9. Personal shopping and
10. Purchasing tickets

Registered nurses are usually the largest group of employees in the health care system. They are committed to providing excellent care but have little to no discretionary time of their own. Concierge services are particularly valuable in helping nurses decrease stress and spend more time with their friends and families.

Feedback from those who have used the services – another important measure of employee satisfaction – has been favorable. More than 93 percent of employees say that the concierge services help reduce their stress level, over 92 percent say the service helps balance work and personal responsibilities, with 0 percent who disagree. Importantly, 94 percent say that these services increase their commitment to their employer.

The impact of the program on the individuals who use it can perhaps be best illustrated by just a few examples of how the concierge services lessen the daily stress and demands for busy employees:

- A staff nurse rushes into the concierge office in a panic, carrying an armful of rumpled clothes – her teenage son's only good suit - which he needs for a football banquet that evening. The

concierge arranges for the dry cleaning vendor to do a rush order and has the suit cleaned and pressed in time for the banquet.

- A nurse makes an urgent call from her workstation saying she has arrived at work with both sets of car keys in her purse while her husband searches frantically for the keys at home so that he can drive the kids to school. Rather than having the nurse leave the floor which could compromise the nurse-patient ratio, the concierge drives the extra set of keys back home and Dad gets the kids to school on time.
- An executive calls the office to say she has left her briefcase at a conference center 40 miles away. She needs it for an early morning commitment the next day but an evening meeting prevents her from retrieving the briefcase after work. The concierge delivers the briefcase to the executive's office by 7:30 the next morning, much to the relief of the busy executive.

Participants volunteer many written comments in surveys that testify to the value the service has for them. For example:

- "I think this is our best benefit."
- "I can focus more on my work responsibilities because I am not distracted by my personal To Do list."
- "It's an everyday reminder that [XYZ] Hospital cares about its employees."

Outcomes

Survey results with a number of users around the country also indicate that employees who use concierge services save an average of two hours for every request made with their concierge. Almost 60 percent of that saved time is going back into work, while 25 percent is contributing to more quality time with families. That all adds up to less stress and a higher quality of life – important components of employee satisfaction.

Beyond the obvious, positive impact on employee retention, other positive outcomes are:

- Increased employee referrals for employment, indicating that employees strongly believe that their institution is a great place to work
- Decreased recruitment costs

- An employment wait list for most occupations/open positions, indicating an employer of choice status
- Improved patient satisfaction, and
- Enhanced bottom line financials.

The Journal of Occupational and Environmental Medicine reports that health care expenditures are nearly 50 percent greater for workers who report high levels of stress. The Bureau of Labor Statistics says that 20 days are lost on average each time a worker takes time off for stress-related issues. And stress prevention resulted in the reduction of medication errors by 40 percent in a 700-bed hospital per a recent study by the Journal of Applied Psychology.

It is likely, then, that relieving stress through concierge services would lower costs associated with healthcare, backfilling absent workers and medication errors.

Perhaps more importantly is the effect on customer/patient satisfaction. A recent Press Ganey study reveals a high correlation between employee and patient loyalty of .808. A similar outcome is reported by the Forum for People Performance Management and Measurement, based at Northwestern University, where employee satisfaction was directly linked to customer/patient satisfaction and, in turn, customer/patient satisfaction to financial performance. A one-unit increase in employee satisfaction led to a .31-unit increase in customer/patient satisfaction and a one-unit increase in customer/patient satisfaction created a .28-unit improvement in a firm's financials.

While many examples given in this document are focused on the health care industry, concierge services are successfully in use in corporate business settings as well with the same positive results.

A representative concierge services user, President and CEO Frank Sardone of Bronson Healthcare Group, Malcolm Baldrige Award Winner 2005, perhaps best sums up the influence of the concierge services program on their journey to becoming a center of Workplace Excellence:

"In the competitive health care job market, we wanted to provide a premier benefit to our current and future employees that was not available at other organizations. It was our goal to make employees' lives less stressful and complicated ... concierge services have made a considerable impact on our organization."