



# Ask An Expert

## Finding A Happy Medium— The High Reward of a Happy Workforce

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As we start the new year, I would like to challenge hospital leaders to think carefully about their workplace environments. Are departments in your facility siloed, or is dialogue across disciplines encouraged? Does the staff feel comfortable sharing ideas, making suggestions, or raising issues related to processes? The answers to these questions likely impact both patient care and employee satisfaction. But did you know that they can also impact your bottom line?

As supply chain professionals and healthcare leaders, we are constantly looking for opportunities to cut costs and improve efficiencies without compromising quality. More often than not we find ourselves looking at our supplies, our facilities, and our processes as areas in which to achieve these savings. However, the way in which your institutional culture impacts your success may get overlooked.

Shawn Achor, former Harvard University lecturer, researcher, and founder of Good Think Inc., argues in favor of the clear connection between workplace engagement and financial performance. According to Achor, research shows that when employees are unhappy, productivity declines by 31%. In addition, a 2010 Gallup poll found that lower job satisfaction costs American businesses an estimated \$300 billion in annual lost productivity. Conversely, Achor found that when employees are more positive, their sales increase by 37%.

Studies indicate that salary and benefits alone play a small part in overall employee satisfaction. In fact, the keys to employee satisfaction seem to be engagement and acknowledgement. According to a September 2011 CoreCentive article, "Companies in the U.S. spend about 45% of payroll on entitlement benefits that have basically zero return on investment. If they used just .5% of payroll and dedicated it to increasing the 'Happiness Factor,' the results would be monumental."

In today's highly competitive job market, it's easy to take employee retention for granted. Generally speaking, there are far more qualified candidates than there are jobs. However, having a position filled is only half the battle. Do you have the right employee in the right position? Does that employee understand your organizational goals? Does your culture facilitate collaboration and innovation—or does the current environment hinder important change?

Of course, there are also larger questions you can ask. When discussing possible consulting opportunities, my team always asks hospital leadership if the task or project is one of the hospital's core competencies. If the answer is no, perhaps it should be outsourced, allowing staff to focus on what they do best. After all, success is one of the most important factors in employee satisfaction.

In this age of value analysis and complex data comparisons, it may seem surprising to devote a column to workplace happiness. However, managing people is certainly one of the most costly and challenging functions for any institution, which is why it deserves the attention of hospital leaders. Culture change is really a top-down initiative that organizational leaders must initiate. The good news is that you can find metrics for benchmarking successes, such as employee retention or enhanced performance.

As you begin 2012, take some time to think about your institution's culture, employee satisfaction, and productivity. Do some "happiness" math—I think you'll find that by creating a supportive workplace the financial benefits can really add up.

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