

Integrated Labor Resource Management Systems: Simplifying, Streamlining All Processes Related to Labor Management

Traditionally, various functions and departments within a healthcare organization have relied on their own proprietary software programs when it came to managing labor resources. Human resources used specialized applications, for instance – as did payroll, scheduling, training and others.

Many would argue there was good reason for this multiplicity. Each functional area required software to support distinct operations and, therefore, specialty vendors developed programs to respond to those explicit demands. In addition, confidentiality regarding employee information has always been a top concern of healthcare leaders and the reliance upon closed systems may have helped assure security of sensitive data.

But times – and software – have changed. Advancements in technology now support integrated labor resource management (LRM). Traditional “software silos” are being viewed as cumbersome, and a bottleneck to smooth workflow. In the past few years, software applications have matured so users can easily and securely access information that previously would have been unavailable to them, without having to log in and out of disparate software programs.

These innovative solutions provide highly specialized software that addresses the needs of each facet of labor resource management – like payroll, staffing and scheduling, security and more. But they are also integrated to optimize efficiencies across the enterprise. Best-of-class LRM vendors now offer integrated solutions that provide on-demand information to management, department heads and employees – making it significantly easier to proactively manage staffing needs, labor costs, compensation packages, performance appraisals, education requirements, budgeting and more.

This strategic approach offers the organization a complete labor picture. By making employee information available through a seamless data flow, leadership can more readily monitor staffing patterns and other labor-related trends, anticipating and adjusting as needed. Ultimately, this allows the healthcare facility to utilize its human resources more efficiently and effectively.

The Problem

Managing employees in a healthcare environment is a monumental task. There are overwhelming amounts of data, details and decisions that need to be documented, tracked and communicated within the organization. In many cases, relevant information about employees is stored in disparate software applications. For instance, an employee’s application and work

history may be kept in the HR system, while continuing education requirements and credentials are kept in a separate system managed by the education department. Information used to create schedules and staffing plans often remains in a separate staff scheduling system and compensation information is stored in yet another system: payroll. There is no built-in assurance

that the data in each system is current or consistent with other databases. Plus, HR staff and front-line managers often need to toggle between these various applications to get all the information they need – an inefficient approach that can lead to errors and miscommunication.

Because these systems are not linked, it is difficult – if not impossible – for leadership to access and share the information necessary to proactively manage staffing needs, control overtime and labor costs, accurately determine future budget levels and develop appropriate and effective training programs.

The Solution

HR and healthcare executives have long sought a solution that would allow them to keep on top of these variables and streamline the workflow associated with managing personnel. Today's LRM model ultimately was born when visionaries recognized how integration of separate labor management systems would benefit the organization as a whole.

Integrated LRM solutions provide a healthcare organization with consolidated access, granting select staff members the ability to retrieve comprehensive employee information. Among other things, they can review a personnel file, check time and attendance issues and send notices or alerts regarding issues that require attention – like expiring licensure or overdue performance reviews. Employee information is secure and password protected with various levels of clearances to regulate access to highly confidential information. The secure data flow also minimizes redundant data entry to reduce errors and enhance data integrity. Functionality of an integrated LRM system can be compared to a wheel. HR personnel, frontline managers,

In addition to these demands, healthcare organizations must ensure they are in full compliance with various regulatory directives – following federal and state employment laws, demonstrating that care is delivered in accordance with Joint Commission guidelines and ensuring all employees have kept crucial licensure up to date. This matrix of variables can be a challenge even for the most competent HR professionals and department managers to address – and will only get more complex in years to come. Providing seamless access to relevant employee data helps ensure no details are overlooked.

directors and executive leadership – representing the rim of the wheel – have bi-directional access to various independent software applications. They are able to review and retrieve information according to approved access protocols, and modify or add information as appropriate. In addition, the pathways (or spokes) allow staff to route information among themselves and access additional data from other software applications if necessary. Integrated LRM solutions are designed with a transparent interface so that users are not even aware if they have been transferred from one data environment to a different program that contains the specific information they need.

By integrating employee information that previously had been housed in various databases throughout the enterprise, the unique LRM approach grants leadership access vital data quickly and easily. This allows them to conduct a comprehensive assessment of the labor picture, respond to emerging trends and devise effective short- and long-term management strategies.

How Integrated LRM Solutions Work

When a new employee joins the organization, personnel managers use the data from the applicant database to create a file that contains basic information: name, address, emergency contacts, hire date, position, supervisor, etc. At the same time, the system connects with HR functionality to determine pay grade and associated benefits. It also tracks vital paperwork associated with hires – ensuring that the new employee has signed and returned forms like W-4s and benefits enrollment. Integrated solutions provide access to current, comprehensive employee data as long as the individual remains with the organization – including promotions, salary adjustments, performance reviews, atten-

dance record, disciplinary actions, security clearances and other relevant information. In addition to standardizing data, integrated LRM solutions can also be customized to reflect the specific information needs and requirements of individual healthcare organizations – verifying the currency of care provider's licensure, and monitoring whether or not internal training and education standards are met, for instance. Throughout, integrated functionality documents, coordinates and communicates actions to ensure a smooth HR workflow for healthcare organizations – and provides a solid foundation for strategic labor resource management.

Example: Overtime Analysis

This example highlights how executives can benefit from integrated LRM. In a large healthcare organization, overtime costs have been slowly but steadily rising. With even a small percentage increase in overtime costing tens of thousands of dollars, the executive team needs to reverse the trend. For them, it's not enough to know what the organization's overtime costs are. Instead, they need to know the details behind the overtime costs so that they can implement the right programs to reduce this costly labor expense.

Although all overtime expenses can appear the same from a dollars-and-cents standpoint, it's important to understand what type of overtime it is – scheduled (part of the staffing plan),

unscheduled (caused by last-minute changes in acuity/census or employee no-shows) or incremental (employees coming a few minutes early or staying a few minutes late). By comparing staffing plans to actual hours worked – information that's accessible through integrated LRM applications – the team can determine how the overtime is being incurred. Armed with this knowledge, they can implement programs and policies to correct the situation. For example, scheduled overtime can point to a need for new hires or an evaluation of staffing ratios. Unscheduled overtime might be remedied with better day-to-day resource management and nurse floating programs. And, incremental overtime might require some policy changes and staff training.

Example: Request for Leave of Absence

If, for example, a clinical nurse specialist (CNS) requests leave because of a family illness, a healthcare organization is compelled to grant family leave by law – but the legislation governing this right is complex. Besides ensuring that all federal regulations are met, the organization must also consider specific restrictions individual states may have enacted. HR staff must determine whether or not the CNS is eligible and, consequently, how the leave must be structured.

Once all these variables have been sorted through, HR must update the employee's file with the request, and factor in the impact it will have on other labor management issues like paid time off (sick, vacation and personal leave), benefits and performance appraisals. In addition, the CNS's manager must be brought into the process, and department schedules must be revised for the duration of the employee's leave. Finally, the payroll system must be alerted so that compensation can be modified as necessary.

In short, dozens of processes might be affected by a single request from a single employee. Of course, healthcare organi-

zations typically employ hundreds, if not thousands, of staff members – and the complexity of the situation increases exponentially with a larger facility.

In a traditional environment, HR personnel and managers may need to access several software applications or paper files to retrieve information that has a bearing on each request. Then, they must share this information with the appropriate parties and prompt them to take action if necessary. Accomplishing this ordinary task – approving a simple request for leave – takes hours of staff time and requires a significant investment of resources.

With an integrated LRM system, however, the process is automated. The request is entered, and the application alerts all affected parties. In addition, it immediately prompts input from all systems that will be affected – like the HR program, the scheduling application and the payroll system – and delivers critical information to decision makers. Integrated LRM ensures that important considerations aren't overlooked – and that efforts are not duplicated, which wastes both time and resources.

Example: Performance Appraisal

Here is a third example: a two-year employee serving as a medical assistant on a surgical unit is due for an annual performance appraisal. Integrated LRM solutions would generate a reminder to the employee's manager and allow access to the wide variety of information needed to prepare for the assessment. For instance, the manager will want to review:

- how many times the employee called in sick, has been tardy or was charged with an unscheduled absence;

- how often the employee agreed – or refused – to cover a shift when patient load or acuity required additional staffing;
- if the employee has kept pace with clinical education requirements;
- whether or not the employee has attended mandatory internal training sessions; and
- if any commendations or complaints have been entered since the last evaluation.

In addition, the manager will need to review the employee's previous appraisal, as well as salary grade and benefits. Integrated LRM systems can be configured to send the manager reminders if the review is late. In fact, inherent software functionality allows the organization to establish "escalation parameters," which notify appropriate parties when tasks become overdue or persistent problems slow the system. Each facility can determine its own escalation parameters and counter measures that reflect internal reporting and accountability structures.

Additional Benefits

Executive leadership, HR staff and frontline managers are not the only ones who benefit from integrated LRM. Staff members can also access their relevant personnel information via an employee portal. This self-service functionality empowers them to update and review their own information.

Through this special user interface, employees can:

- access benefit enrollment forms;
- check benefit eligibility status;
- view schedules;
- review time and attendance records;
- request time off;
- request shifts;
- monitor overtime levels;
- receive notifications regarding certification;
- retrieve on-line pay stubs; and
- enroll in education courses.

By providing employees direct access to self-service information, healthcare organizations can save time and money, since paperwork is minimized and reliance on HR and payroll personnel will decrease significantly.

Additionally, integrated LRM technology is designed to minimize any burden on in-house IT staff. Vendors providing integrated LRM solutions support sophisticated software and seamless interfaces, and work closely with all stakeholders to ensure implementation progresses smoothly. Internal staff can consult with

Once the appraisal is finished, the integrated LRM ensures that all documents are completed and signatures are attached. It then forwards relevant information to the appropriate parties, departments and systems. Pay increases are sent to the payroll department, while training staff is alerted to any educational requirements that have not been met.

LRM partners to evaluate current workflow, customize improved processes and design templates and reports to meet the organization's unique needs.

Finally, integrated LRM gives executives a more complete organizational labor picture. This wealth of employee-related information makes it easier to analyze, track and manage trends and create forecasts that improve HR and staff utilization. Use of an integrated LRM approach also gives executives access to the data required to increase organizational efficiencies at every level of the enterprise, resulting in increased productivity and a healthier bottom line. Additionally, streamlining the flow of employee data can improve employee satisfaction and increase morale, which is especially important as the industry experiences clinical staffing shortages across the country.

In short, healthcare organizations can reap substantial benefits from an integrated labor resource management approach. HR personnel and management are granted immediate and secure access to comprehensive, up-to-date information with single sign-on convenience. The system automatically forwards relevant data to other individuals, departments and systems – updating files and triggering alerts when appropriate. Staff members at all levels of the organization have access to self-service functionality, allowing them to complete routine tasks that would otherwise consume departmental or HR resources. With an integrated LRM solution, leadership can be confident that all personnel issues are handled as effectively and efficiently as possible.

About API Healthcare Corporation

API Healthcare Corporation (API Healthcare) is the leading provider of human capital solutions to the healthcare industry including time and attendance, staffing and scheduling, patient classification, payroll, human resource, productivity management and education tracking software. Founded in 1982, API Healthcare has more than 600 installations in the North America, with clients ranging in size from 500 employees to more than 30,000 employees. The company's Payrollmation® system has been rated by KLAS as the top time and attendance system for the last seven years. The company's Web site address is www.apihealthcare.com.

