

A Prescription for Success – HR Service Delivery at Sutter Health

By Jay Richey, Oracle

Human Resources service delivery in health care has always been a challenge, especially when you consider that every hospital has its own management structure, which creates duplicate HR departments, and duplicate HR priorities. Couple that with employees who are faced with life-saving crises every day, and you have a very complicated structure for delivering important HR information consistently and in a timely manner. I recently had a chance to chat with Laura Van Winkle, regional manager for Sutter Health Sacramento Sierra Region's Human Resources Service Center (HRSC), to learn how Sutter has addressed these challenges.

It was only a few years ago that Sutter was operating eight hospitals, one senior care facility, one nursing center (rehab facility) and three medical foundations, all with their own HR departments and set of policies. The results were 13 different vacation policies, 13 different salary policies, 13 different, etc., etc. – you get the picture. Sutter realized this was a very inefficient way to run their business. So, in 2008 they began to consolidate to a single shared services center. Prior to the service center, employees would simply walk down to the HR department when they had a question. This sounds simple, but it wasn't. For instance, if you had a nurse on the fifth floor that had to walk down to the second floor to HR and then wait in line, you could easily lose 30 or more minutes of patient care. And, this could mean the difference between quality care and potential loss of life.

The 2010 Shared Services Practices Survey, which provided data from 5,000 HR professionals across 160 organizations, published by the Shared Services Institute, concluded that the shared services model for HR service delivery is experiencing a second surge in popularity. The surge in adoption was strong across all industries and organizational sizes. In fact, since 2007, HR shared services adoption has increased at an average rate of 39 percent per year. So, as a part of this trend, Sutter embarked on an ambitious plan to consolidate and start leveraging economies of scale.

Luckily, Sutter is on a single HRMS system, which made initiating a single service delivery policy and process much easier than it would have been with multiple HR

systems. But, it still wasn't without its challenges. For instance, there was, naturally, resistance to removing what many felt was a great touch-point between HR and employees. Everyone likes a personal touch, so Laura and her team had to work closely with HR and the customer base to ensure that everyone understood how this will affect them and how utilizing tools like self-service would actually improve their jobs and give them more time to deal with patient care issues. There were a lot of manual processes and each hospital liked their current processes, so a lot of consensus building was required to consolidate policies into a single, standardized policy everyone could live with. Another challenge was generational. Approximately 30 percent of Sutter's 45,000 employees had been there 30 or more years. Many people in the Traditionalist/Baby Boomer generation prefer to talk to a real person versus using a computer to look something up. Many even prefer to see someone in person versus calling on a telephone, especially when it comes to matters they deem very personal. Of course, this is a challenge any organization will face and you may need to make some trade-offs to keep employees happy, but also keep encouraging them to adopt new ways of working.

One of the most interesting things Sutter has done is to start using social tools for communicating with their employees. Historically, if you wanted to get HR information out to employees, you sent a memo or posted something on a bulletin board in the break room. When speaking to Laura, she told me that they sometimes still have to post things that are critical or required by law, but, for the most part, they have moved away from that to using Sutter's intranet to send out broadcast messages. Most recently, they have set up SharePoint sites that allow employees to log in and read news and announcements specific to their place of work. Each facility has its own page so that employees will see information that is specific to them, giving a personal feel that everyone enjoys, even if the message is exactly the same for all facilities. And very smartly, Sutter has published a highly comprehensive policy around social media that both encourages employees to be active in this medium, but also sets boundaries on what is acceptable and unacceptable.

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According to recent research from Aberdeen Group, “The Future of Core HR: Building the Business Case for Automation and Integration,” by streamlining transaction times and giving employees greater autonomy through self-service capabilities, companies could achieve 18 percent higher scores on employee engagement than their competitors. Sutter’s main measurement of engagement is patient satisfaction, and while it can’t directly tie an increase in patient satisfaction to its HR shared services center, it has observed a steady increase in satisfaction since the service center was established. Towers Watson’s “2011 – 2012 HR Service Delivery and Technology Research Report” found that organizations for which long-term cost was the primary driver for implementing an HR shared service center, most frequently report savings between 10 and 20 percent – with about a third more reporting 20 to 40 percent in savings. Fully, 60 percent realized these savings within two years of implementing their service center.

Any way you slice it, good things are happening in HR at Sutter Health Sacramento Sierra Region. They are on a terrific path to streamlining business processes, eliminat-

ing wasted costs, and increasing their ability to deliver quality care to their patients.

To learn more about Sutter Health, visit them online at <http://www.sutterhealth.org/> or on Facebook at <http://www.facebook.com/SutterHealth>.

About the Author



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