



Rochester Regional Health

Equipping HR to support the evolving demands of the health care industry

As merger & acquisition (M&A) activity in the health care industry continues at record pace,¹ what does it mean for the health systems, hospitals, physician groups, and other health care providers affected by consolidation—along with the employees who lead and work in them? Certainly it means change, often involving adapting to new ways of doing their everyday work, whether in terms of how they care for patients or how they carry out the “business” of running a large, multisite organization.

HR as an agent of change

HR departments are the most likely to be charged with M&A change management and helping the organization and its people adapt to a new structure. Both “hard” changes in facilities or technology and “soft” changes affecting culture or leadership style must be dealt with effectively for the newly combined entity to thrive. Talent is a top concern: people can make or break M&A success. Part of change management is addressing employees’ fears of what the change means for their jobs and the organization’s risk of losing vital talent in the shuffle.

When two New York health systems, Rochester General Health System and Unity Health System, came together in 2014, both HR departments had already seen their share of change. Each had recently (within the previous six months) adopted new HR systems of record. The merger meant having to choose a single path forward to unite all employees under the new Rochester Regional Health umbrella—a vital decision according to Janine Schue, Rochester’s chief human resources officer and executive vice president.

“To be credible as a strategic business partner,” said Schue, “an HR function must have reliable data and use that data to navigate the gray that is often present in complex people issues.”

Rochester Regional Senior Director HRIS Jason Frank explains that an interdisciplinary team of representatives from HR, finance, operations, and other functions evaluated both Rochester General’s Workday system and Unity’s legacy system.

“Coming from the Rochester General side of the merger, I personally had experience with Workday, but we were looking at the whole system and how well our choice would fit with what we needed to do,” said Frank. “We were both rather new with our systems and weren’t willing to leave any functionality on the table.”

Being able to observe both systems running in their respective organizations and evaluate their capabilities was a valuable decision-making tool. Ultimately, the team selected Workday.

“The decision turned on talent management and many features such as dashboards and mobile capabilities,” said Frank. “I think the biggest differentiator of Workday is the business process framework, which is the underlying way you design business processes and how they work in terms of roles and assignments. It’s very powerful in that you can have one business process today, and easily change it to something else tomorrow.”



About Rochester Regional Health

Serving the greater Rochester and Finger Lakes region and beyond, Rochester Regional Health combines the resources, skills and accomplishments of Rochester General Health System and Unity Health System in an integrated network of nationally recognized, community-focused services. The full care continuum includes:

- Five full service acute-care hospitals
- Comprehensive ambulatory services
- Leading cardiac, orthopedic, neuroscience, oncology, surgery, women’s health and medicine programs
- More than 80 primary and specialty medical practices
- Innovative senior care programs, facilities and independent housing
- A wide range of chemical dependency and behavioral health services
- ACM Medical Laboratory, a global leader in patient and clinical trials testing, with worldwide locations and lab partnerships

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The fact that Workday is cloud-based was important to Mazie Tai, Rochester Regional's vice president of HR Operations.

“With so many companies moving to the cloud, our getting there was inevitable and it didn't make sense for us to delay it,” said Tai. “Secure access was very important as well. We want our managers to be actively engaged in our applications, and Workday gives us the flexibility to access a common platform in a secure way.”

Workday's multitenant SaaS model can also eliminate the time and costs associated with software development and maintenance and provides access to ongoing innovations. Users automatically have access to the latest release without having to manage or budget for software updates.

Access to innovation is also available through Workday's active and engaged user community, which Frank follows and contributes to.

“It really depends on your own intellectual curiosity and how far you want to take Workday,” Frank said. “If you want to continually improve and look for better ways to do things, it's there for you.”

Tai also points to the importance of speed and information clarity when faced with merging several systems.

“The race to Day 1 is always information-focused: Do you know what people you have, how many FTEs you have, are their jobs and compensation aligned,” Tai said. “It's essential to get information out of the system quickly, and Workday enables us to do that. We're even able to put in contingent workers, which is so important to us in health care.”

Drivers of HR technology transformation in health care

The Business Imperative

- Provide an integrated health care delivery system that can better meet the needs of the community and thrive in an increasingly challenging environment of health care payment and delivery system reform
- Enable long-term growth and sustainability by looking for opportunities to enhance patient care while reducing costs and inefficiencies
- Capture synergies through merged entities including integrated care management, technology and infrastructure savings, and streamlined administration and back office processes

Enhanced Capabilities

- Provide better tools and processes to attract, develop, and retain clinical, professional, and support staff
- Improve reporting including accurate headcount reporting and timely turnover analysis
- Establish organizational agility for responding to industry changes and shifts in market conditions

- Empower employees with self-service capabilities so they can manage personal information and feel in control of their data

Operational Effectiveness and Efficiency

- Transform and automate HR by eliminating paper and reducing handoffs
- Improve clinical and front-office manager effectiveness
- Reduce HR administration through self-service capabilities
- Increase value-added activities, including HR service delivery improvements, Communities of Expertise capabilities, and a focus on staff retention and development
- Reduce total cost of ownership (TCO) for HR technology and HRIS administration and support

Technology Innovation

- Replace outdated systems with a state-of-the-art cloud-based solution
- Enable better interfacing to downstream internal systems and external vendors
- Support enhanced, on-demand reporting

Regulatory Compliance

- Modernize systems to accommodate changes in the regulatory environment, including the Affordable Care Act (ACA)
- Streamline preparation for Joint Commission accreditation
- Improved onboarding processes

Support for a dynamic organization

This ability to support a dynamic organization structure is a key feature of the Workday environment. Rochester Regional took advantage of Workday capabilities to plan and execute the merger of the two HR functions, including leveraging the business processes built into Workday, creating organization structure scenarios, and reusing many of the data conversion templates from Rochester General's initial Workday deployment.

Deloitte Consulting LLP deployed Workday for Rochester General Health back in April 2014. The team came back in early 2015 and led the Unity transition from its former system to Workday. Deloitte leveraged the already-built business processes completed in the original deployment and helped drive consistency and continuity in building and designing Unity's business and technical requirements.

"When we first went live with Workday, we went through a whole reimagining and redesign process with Deloitte, who brought leading practices to the table," Tai explained. "We didn't presume that whatever we were

doing before was right. Where we had truly unique situations and needed to adapt certain practices, Deloitte helped us marry the two and enabled us to be faster and more precise in our deployment."

The ease of making organizational changes post-merger has been a boon for users. Keeping Workday up to date to reflect minor reorganizations of managers and teams is a quick, efficient process. Because Workday is a unified platform, organizational changes only have to be made once, and the downstream impacts to security, business processes, and analytics are updated as well.

To note organizational changes, HR business partners—on-the-ground HR liaisons stationed in the facility they support—simply generate a report on a particular org structure, flag any changes, and send them to HRIS, a far simpler and less time-consuming process than before. On the other side, the HRIS team appreciates the freedom Workday gives them to innovate, without being dependent on IT resources to implement changes or expand functionality.



An array of enhanced HR business processes

Many HR business processes have been transformed by consolidating on Workday, from the way jobs are posted to the way employees are onboarded to ongoing performance management and legal/regulatory compliance. Enhancements include:

- **Consolidated job codes and job descriptions**, eliminating hundreds of redundant descriptions and verifying the compliance aspects of remaining descriptions, such as updating license and certification requirements.
- **Manager-driven job requisitions** to fill open positions or request new positions, with unprecedented visibility to track requisitions and reduce bottlenecks as they move through the process. This is completely unlike the former system, described by users as a “black hole” where it was difficult to understand who or what a stalled requisition was waiting for.
- **Streamlined onboarding** that more closely mirrors patient service standards, giving new hires the ability to complete some of the required paperwork online, including making benefits selections, before they come on-site. Workday interfaces directly with the federal government’s E-Verify site for I-9 verification.
- **Custom performance review processes** that have resulted in unprecedented completion rates by the end of the annual 90-day appraisal period. Nursing positions, for example, easily incorporate a manager evaluation, a self-evaluation, and a peer evaluation, while clinical positions include additional approvals.
- **Visible, expedited regulatory compliance**, such as including authoritative sources for certification and licenses to meet JCAHO and other requirements, tracking employee flu inoculations, and distributing COBRA notifications to terminating employees.
- **Automated benefits administration** to replace the former homegrown enrollment system, a feature Susan Krouth, Rochester’s senior director of benefits technology, called “a fabulous change.” She also cites Workday’s integration capabilities as an enormous value-add.

“We have been able to automate not only the integration files sent to our vendors but also the ability to have people enroll. And we’ve greatly reduced the amount of manual entry that had to be done,” Krouth said. That manual entry formerly required three staff members to key and rekey data, but now the team is free to pursue more strategic activities, such as introducing and educating employees about a new high-deductible health plan option.

New analytical capabilities for strategic talent initiatives

Beyond optimizing the day-to-day aspects of HR management for Rochester Regional's 16,000 employees, Workday helps Tai and her team think strategically and analytically about the health system's talent-related needs, both today and in the long term.

"Succession planning is very important to us in all areas, both clinical and nonclinical," said Tai. "We've been able to use Workday functionality to create talent pools and assess talent across the organization."

Tai's team is also piloting a project to track turnover in the emergency department (ED), typically a high-churn area for health care organizations. The first goal is to understand why people might be leaving. Are they going to a competitor? Changing careers? Unhappy with their pay or their shift? The second goal is to develop profiles of the types of employees who might be a flight risk, tracking data such as professional background, school, years of service, and other variables that could help in devising strategies to prevent turnover in the future.

Another talent initiative centers around Rochester Regional's belief that its employee population should reflect the communities it serves. The HR team would like to look at geographic data to engage employees and candidates who live within certain distances of Rochester Regional Health facilities.

"Workday helps us understand our employee base and recruiting pool and test hypotheses," said Tai. "It gives us the ability to overlay where our people live onto the geography we cover. Is the result congruent or are we bringing in talent from 40 minutes or an hour away and it turns out that not

enough talent from the community is working for us? The data is instructive for our recruitment, retention, and workforce planning."

Tai said analyzing location data may also be useful as the health system grows and the health care industry changes to better respond to patient needs.

"As we continue to expand east and west, we are starting to section off different ZIP codes and locations so we can analyze the data," Tai explained. "Are we optimizing the people working for us? Are they working at the closest location? Many of our on-call clinical staff have to be available within 30 minutes, so we can start to consider interesting things about where we employ people and what location they are in and what implications that might have for us to expand office hours to accommodate our patients."

Scaling for the future

With two Workday deployments under its belt, Rochester Regional's HRIS team feels confident that HR is well-prepared for future M&A expansion.

"We now have a system that allows us to bring on additional practices or even large health systems fairly easily," said Tai. "HR is not hindering us from acquiring—it's the regulatory compliance steps we have to take that are the longest to complete. Because we worked through so many issues in the first deployment, we can scale better now. We're going to bring on Clifton Springs Hospital & Clinic and will likely get them up and running in two months or less. The deployment half-life becomes shorter and shorter."

Insights for action

Embarking on a similar M&A journey using Workday? Rochester Regional Health leaders and business partners share some insights from their merger experience.

Recognize and support the variety of users. Many healthcare providers are used to working in a paper-and-fax environment. Provide training that helps employees make the technology connection. Adding “knowledge builder” tutorials within Workday and tapping into “super users” who can bridge technology, administrative, and clinical perspectives can be invaluable in this effort. Workday’s intuitive, social media-like interface is also helpful in acclimating new users.

Keep engaging users. Initial engagement with the system is very important, but so is sustained engagement. Rochester Regional introduced some new leading practices out of the box, then went deep with some groups to expand functionality. These pilots then became a proving ground for other departments to see the value Workday can add and in turn feel confident in diving deeper themselves.

Embrace new functionality. Organizations have a tendency to want to simply recreate existing processes in a new system because that’s what they know and are comfortable with. But with new functionality comes an opportunity to think about new and better ways to accomplish what needs to get done. Don’t be afraid to change processes because it’s the unknown path—think about different ways to get to the end result.

Rethink timing. With traditional HRIS systems, it was the norm to deploy a new system and decree, “No changes for six months!” Workday is different; it’s a nimble product that accommodates adjustments. Be prepared to review how processes are working on an ongoing basis and rework them to get the results you want.

First things first. Getting separate entities standardized on the same HRIS system is a major milestone. Once that hurdle is cleared, you’ll have tremendous opportunities to add new functionality and capabilities. Recognize it’s a big elephant—take it one bite at a time.



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Endnotes

¹ See, for example, *the Wall Street Journal*, "Health-Care Providers, Insurers Supersize" September 15, 2015, and *Fortune*, "Behind healthcare's M&A boom," August 18, 2015.

Deloitte.

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About Workday

Workday is a leading provider of enterprise cloud applications for finance and human resources. Founded in 2005, Workday delivers financial management, human capital management, and analytics applications designed for the world's largest companies, educational institutions, and government agencies. Hundreds of organizations, ranging from medium-sized businesses to Fortune 50 enterprises, have selected Workday. For more information, please visit www.workday.com.