

Fill Those Unpopular Shifts

Point-based awards and incentives drive employee behavior in positive ways, provide administrative efficiency and reduce cost.



ILLUSTRATION BY ERIC MUELLER

By Susan Lackey

Human resource managers at health facilities are finding that point-based reward systems can encourage staff members to pick up extra shifts—even late-night and holiday shifts—without resorting to cash incentives or often-costly contract labor.

“Points are given online with a predetermined value contingent on a nurse signing up for available shifts,” says Roy Saunderson, president of the Recognition Management Institute, a consulting and training firm in New York City, and author of *Giving: The Real Recognition Way* (Recognition Management Institute, 2008). The points can be redeemed for immediate gifts or accumulated for more-expensive items such as trips.

Using point-based incentives to motivate employees is a trend commonly used in the airline industry and now spreading across many other industries including banking and health care, says Kathy Douglas, RN, chief nursing officer at Concerro (formerly BidShift), a San Diego-based maker of workforce management software.

ShiftRewards—software offered by Concerro for the health care industry—combines a point-based incentive system with scheduling capabilities in a program accessible by participating hospital personnel. Each system user creates a profile containing information such as skills, pay rates and hire dates. Managers review the profiles and put the data in the program.

The software, accessible through the Internet, allows hospital staff members to view, request and receive open shifts posted by nurse managers and to receive points in exchange for working the shifts. The process helps reduce managers’ scheduling burdens.

Such point-based systems may also improve employee satisfaction while helping HR professionals to reduce costs for staffing, outsourcing and recruitment.

Designing an Incentive Plan

In Kailua, Hawaii, Castle Medical Center, a 160-bed facility owned by Adventist Health—one of more than 10 hospitals on the island of Oahu—admits more than 6,500 patients per year. Its services include a birth center; chemotherapy, oncology and outpatient clinics; and a 24-hour emergency department. Thus, filling open shifts is high on HR managers’ priority lists.

In October 2006, the hospital implemented ShiftRewards software, and it has since proved to be a strategic scheduling tool for HR.

The points, working much like frequent flyer miles, can be exchanged for rewards such as gasoline cards, flat-screen TVs, tuition benefits, continuing-education reimbursements and gift cards to various stores.

If an employee at Castle requests an eight-hour day or night shift through ShiftRewards, the employee receives 80 points and then is awarded an additional 400 points for working the shift.

Point requirements vary depending on the reward—from 2,500 points for a \$5

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gift card from the hospital's cafeteria, to 250,000 points for an Apple iPhone, the top reward currently offered by Castle.

Gasoline cards are among the most popular rewards. Nancy Chew, a unit secretary at Castle, recently was glad she had picked up some extra shifts and had rewarded herself with a gasoline gift card because she ran out of gas one day and had no cash on hand. She got her car fueled with the gas card she had in her wallet.

Currently, 422 of Castle's more than 1,000 employees are registered to use the program. Registration is not mandatory, and those who use the system have the flexibility to choose shifts they prefer.

Since implementation at Castle, 14,745 shifts have been awarded through ShiftRewards for a total of 104,972 shift hours. Concerro's Douglas estimates that, on average, about 70 percent of originally unfilled shifts get filled through the shift-bidding system.

Positive Reinforcement

A point-based program allows employees to work toward a tangible goal of their choice rather than a monetary bonus that often gets lumped into a paycheck and directed toward paying bills, says Concerro's Douglas. It becomes a clear way of saying "job well done."

"When you are looking at cash, it is quickly forgotten," says Peter Hart, chief executive officer of Rideau Recognition Solutions, a recognition and incentive vendor in New York City. "Points give you bragging rights. Going out and bragging about a cash bonus would be seen as gauche. That is the positive to point-based programs because there is trophy value in points."

Employees can exercise choice in selecting items for their points rather than receive standard gifts that may mean little to them. The ability to choose items can boost employee satisfaction, these experts say.

Concerro's system enables employees to add shifts to their already created

schedules. Full-time, part-time and per-diem staff are all eligible to sign up to use the software. For some employees, taking extra shifts ultimately brings them closer to working a 40-hour week.

Employee Satisfaction

Concerro estimates that on average, when an incentive program is implemented and used correctly, productivity increases by 25 percent to 45 percent, Douglas claims. In a hospital, increased performance and employee satisfaction can translate to improved patient care and satisfaction. In regard to pricing, an

it enables them to experiment with working in units of the hospital where they may not have worked previously.

"An interesting outcome from such incentive systems was that nurses would often bid on opportunities to be on nursing units outside of their home units, allowing for cross-training opportunities, increased variety and exposure to different patient treatment regimens," Saunderson says.

Reduced Incentive Spending

In the United States, companies spend around \$46 billion annually on incentives,

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employer's monthly subscription costs depend on the size of the facility, Douglas says.

Kathy Raethel, vice president of patient care services at Castle, says that one of the most beneficial outcomes of implementing the program has been the improvement in employee satisfaction brought on by easier scheduling and rewarding.

Prior to Castle's implementation of ShiftRewards, employees would have to go to a different level of the center and check a paper posting of the schedule to see the availability of shifts. Now employees can check the schedule online and request extra shifts on a 24-hour basis.

"We wanted to change dramatically the way shifts were filled," Raethel says. "The previous way, we would have to beg and make a lot of calls, saying, 'Please come to work.' Now we are giving the staff the ability to manage themselves." The points do not get taxed—but taxes get levied on the value of the gift items, she notes.

Placing employees in the drivers' seat for choosing their own extra shifts also increases employee satisfaction because

so reducing reward costs while attaining the same results is desirable, no matter the industry. Often, with point-based systems, more points are given to employees than are redeemed. Since the system's implementation at Castle, for instance, 104,972 hours have been awarded to staff members, resulting in 5.7 million ShiftRewards points, but only 1.4 million have been redeemed. Consequently, hospitals shave their expenditures for incentives because of the redemption gap and because less money is spent on incentive items. For example, a hospital will no longer buy 10 gift cards when employees only want four. The hospital ends up only buying the rewards employees claim.

"We have seen consistently [that] the incentive liability of the organization goes down while spending less money, and participation goes up," says Douglas. When using points instead of monetary incentives, overall cost is less. >

Online Resources

For additional information on incentive plans, see the online version of this article at www.shrm.org/hrmagazine.

Reduced Staffing Costs

Prior to using the point-based rewards and scheduling system, facilities such as Castle were often forced to turn to contract labor to fill open shifts, a costly alternative to paying regular staff members.

Medical Center of Central Georgia in Macon implemented the Concerro program in August 2006 and has since reduced overall staffing costs by \$5 million. Within the first year, it had saved \$1 million on contract labor.

Similarly, Health First of Rockledge, Fla., with hospitals in Cocoa Beach, Melbourne and Palm Bay, reported an 83 percent decrease in the use of contract nurses between the program's implementation in June 2007 and March 2008. Concerro estimates that Health First will eventually reduce its contract labor expenses by



\$3.2 million, representing an annual net savings of \$1.32 million in the first year of the program's implementation.

Outside Of Health Care

Point-based incentive programs can be useful in other industries too, such as airlines, brewing, telemarketing and hotels.

Theresa Howell, now managing director of HR strategy, technology and analytics at Tesoro Corp., a petroleum refinery in San Antonio, helped implement a point-based system at Delta Air Lines five years ago, when she was the manager of rewards and recognition.

A point-based system creates "a ribbon of consistency throughout the organization when it comes to employee incentives," says Howell, a board member of Recognition Professionals International.

Points were tied into all aspects of the airline's operations as well as community relations including blood donations, Habitat for Humanity efforts across the country and abroad, AIDS walks, participation in the Relay for Life, and breast cancer awareness. Aside from non-profit activities, behaviors in the airport were also rewarded with points. Airline customer service agents sought to reach a monetary goal collected from fees for overweight and oversized checked baggage. If the goal was reached, agents were given points proportional to the dollars collected. The points could then be saved or redeemed through Amazon.com.

Seek Consistency

Regardless of what point-based incentive program a company's officials may select, experts say that managers must clearly identify guidelines for recognition and consistency in rewards so that employees understand the types of behavior that will be rewarded.

Howell says that "the more HR professionals can understand recognition, incentives, usage and purpose in these systems, the more sophisticated a company can become with their engagement of employees." ■

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