Healthcare in the Midst of Change:
Linking Engagement and HR Transformation

Presented by

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Trinity Health

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PwC
Perspectives to share today …

- Healthcare in a time of turbulence
- Leading and managing the HR function in this environment
- Journey to embrace engagement as differentiator of healthcare service
- Transformation of leadership requirements
- Transforming HR to shift capability to match expectations
- PwC perspective across the industry
About us …

- Warren Cinnick, VP Talent Management
  Trinity Health
  - 28 years in HR; 13 at GE; 12 in consulting

- Sayed Sadjady, Talent Management/Org Design Leader, People and Change
  PwC
  - 26 years of consulting experience; 11 at PwC focused on organizational effectiveness and workforce performance
Trinity Health: Unified Enterprise Ministry

Serving Nine States Nationwide

- Fourth-largest Catholic health system in the U.S.
- 46,000 full-time equivalent associates
- More than 8,000 active staff physicians (over 1,000 employed)
- 46 hospitals (34 owned, 12 managed)
- 379 outpatient centers
- Revenues of $7 billion
- Over $455 million in Community Benefit Ministry
- Announced Loyola University Health System (Chicago) Letter of Intent
Hierarchical ... traditional

Employer

Employee
Collegial ... valuing input

Associate
Collaborative at the point of care giving

Care Giving Team

Associate

Associate

Associate

Associate

Patient and family
A declaration of the connection …

Guided by our Mission, we create an extraordinary work experience inspiring our associates to create an extraordinary care experience
Audience Question #1

Based on your most recent associate survey, or your best estimate, what percentage of your workforce is “actively engaged”?

A. 60% or more
B. 50-59%
C. 40-49%
D. 30-39%
E. 20-29%
F. Less than 20%
**Active Engagement**
Trinity Health 2010 Associate Survey Data

*From among 58 total companies (varying industries) reporting in the HR Solutions 2010 Engagement Surveys.*

<table>
<thead>
<tr>
<th>Top 3 Companies in HR Solutions 2010 Study</th>
<th>% Associates “Actively Engaged”</th>
<th>% Associates “Ambivalent”</th>
</tr>
</thead>
<tbody>
<tr>
<td>AtlantiCare (5,000 employees)</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>North Mississippi Health Services (5,600 employees)</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Trinity Health (47,000+associates)</td>
<td>37.6</td>
<td>48.2</td>
</tr>
</tbody>
</table>

Actively Engaged – 37.6%
(Norm 25%)

Ambivalent – 48.2%
(Norm 59%)

Actively Disengaged – 14.2%
(Norm 16%)

Significant Opportunity for All Leaders:
To actively engage the half of our workforce presently “ambivalent”
Building the brand – critical talent

• The distraction of “employer of choice”

• Talent-focused organizations pay attention to specific groups of employees simply because they have a disproportionate impact on performance and outcomes

Organizations inherently attract some people and repel others. The question: is your brand attracting and repelling the right people?
## Top Drivers

<table>
<thead>
<tr>
<th>Attraction</th>
<th>Engagement</th>
<th>Retention</th>
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</thead>
<tbody>
<tr>
<td>Competitive base pay</td>
<td>Leadership</td>
<td>Career development</td>
</tr>
<tr>
<td>Vacation / Paid time off</td>
<td>Image</td>
<td>Leadership</td>
</tr>
<tr>
<td>Competitive health care benefits</td>
<td>Career development</td>
<td>Empowerment</td>
</tr>
<tr>
<td>Convenient work location</td>
<td>Empowerment</td>
<td>Supervision</td>
</tr>
<tr>
<td>Flexible schedule</td>
<td>Customer focus</td>
<td>Pay and rewards</td>
</tr>
<tr>
<td>Career advancement opportunities</td>
<td>Values</td>
<td>Stress, balance, and workload</td>
</tr>
<tr>
<td>Competitive retirement benefits</td>
<td>Goals and objectives</td>
<td>Benefits</td>
</tr>
<tr>
<td>Competitive benefits</td>
<td>Supervision</td>
<td>Organizational change</td>
</tr>
<tr>
<td>Challenging work</td>
<td>Pay and rewards</td>
<td>Image</td>
</tr>
<tr>
<td>Organization’s reputation as a</td>
<td>Communication</td>
<td>Customer focus</td>
</tr>
<tr>
<td>good employer</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Towers Watson 2010 Global and Normative Databases
Transitioning to tomorrow's workforce will be disruptive

Source: PwC’s Health Research Institute
Engagement Relies on Three Pillars

Engagement

Leaders

Aligned Human Resource Programs

Culture of Coaching

Increased Expectations

Efficient and Effective Transactions

Differentiating Cultural Element

Intentional Development

Strategically Prioritized

Start from Top
Trinity Health’s Guiding Behaviors

• We support each other in serving our patients and communities.
• We communicate openly, honestly, respectfully and directly.
• We are fully present.
• We are all accountable.
• We trust and assume goodness in intentions.
• We are continuous learners.
Audience Question #2

Considering your human resources department as a whole, how would you rate its level of integration with the overall organization strategy?

A. High
B. Moderate
C. Low
D. Not integrated
Transformation of Human Resources

HR Transformation

Culture and Engagement Support

Service Excellence

PwC our trusted advisor and guide through the HR Transformation
Why is the demand for HR execution and excellence increasing?

• Business executives continue to ask “Are we getting value from our HR spend from HR?”

• Affordable third-party sourcing and service options in HR continue to raise “ownership” questions.

• Current market and economic factors drive different types of HR services and accountability for outcomes.

• PwC Saratoga™ data shows that for nearly the same investment, high performing HR organizations significantly outperform other organizations.
PwC point of view
the high performing HR organization

HR must have the capabilities to:

- Understand business strategy
- Develop and drive execution of aligned talent strategies
- Equip and enable business leaders and managers with the tools to effectively manage talent
- Manage its own HR costs and measure HR’s impact on financial performance
- Measure the return on human capital and ROI of talent programs

People & Organization
- Efficient structure with appropriate mix of skills, technical knowledge, and analytic capability to meet the needs of the business

Processes
- Streamlined work processes to enable flawless administration and execution of services

Technology
- Integrated applications to provide company wide and timely data

Measurement & Analysis
- Improve Quality of Hire
- Increase Workforce Productivity
- Maximize Return on Workforce Investment
- Improve Leadership
- Develop Employees
- Compensate Efficiently
- Drive Workforce Engagement
- Increase Workforce Productivity
- Create Workforce Alignment

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What will a transformed OTE mean?

<table>
<thead>
<tr>
<th>What the U-OTE will be</th>
<th>What the U-OTE will NOT be</th>
</tr>
</thead>
<tbody>
<tr>
<td>A service organization that will promote development and retention by enabling professional growth options for all associates.</td>
<td>A simple cost-reduction measure achieved through process consolidation and FTE elimination.</td>
</tr>
<tr>
<td>A leverage point of Trinity Health’s OTE resources that perform core activities, presently spread across the MOs, to better service leaders and all associates.</td>
<td>A move to “centralize” all local OTE services and support into a single geographic location, operated under a Home Office mandate.</td>
</tr>
<tr>
<td>A single-source of accurate and timely human capital information and analysis to enable strategic business decision-making about associates.</td>
<td>A series of policies, programs, and services developed in a vacuum without executive leadership sponsorship from MOs and Home Office.</td>
</tr>
<tr>
<td>An efficient, effective, and focused team, dedicated to continuous improvement, aligned with the Mission and objectives.</td>
<td>Insulated from its customers … the leaders, associates, candidates, and retirees … who serve through the MOs and Home Office functions.</td>
</tr>
</tbody>
</table>
Transforming via an Implementation Structure

VP, U-OTE

U-OTE Implementation Support Work Teams

Culture / Change Leadership / Communications
Organization / People
OTE Functional Business Process
Operations and Technology Center
Technology
Transforming to an End State

- MO Leadership (CEO, COO, etc.)
- Business Partner Role

Trinity Health Chief Administrative Officer

Areas of Expertise:
- Mergers, Divestitures & Acquisitions
- Rewards
- Talent Management
- Associate & Labor Relations
- Workforce Intelligence
- Culture/Change Leadership

OTE Governance Council

Operations and Technology Center
Takebacks to your organization
From Trinity Health’s experience

- HR leaders must align workforce strategy to the business strategy
- Facilitate discussions with leadership about staffing and development … both short- and long-term
- Be a “transformation seeker”
  - “Never let a good crisis go to waste” – Rahm Emmanuel
- Ask the workforce
  - how to best engage with them
    - Job and role redesign
    - Meeting the challenge of life-long learning
    - Creating a diverse and inclusive environment
Thank You!