About Those "Cheap" Employees

Alan A. Ayers, MBA, MAcc
Content Advisor, Urgent Care Association of America
Associate Editor, *Journal of Urgent Care Medicine*
Vice President, Concentra Urgent Care

While visiting one of the urgent care facilities in her region, an operations director inquired of the center manager, "were you able to fill that rad tech position?" The manager responded, "yep, she accepted and you'll be very happy…I got her for *cheap!*"

Upon hearing this, I suddenly felt that anxious feeling of worry best described as a "knot in my stomach." Certainly if the manager is underpaying the radiology technician—at an hourly rate less than what her skills and experience would garner elsewhere—the new hire won't hang around for long. And soon enough, the center will again be short-staffed. Otherwise, if the low wage is what the employee is *really* worth, then the center just on-boarded a *"cheap"* employee—and probably got its money's worth.

A "Cheap Employee" is a *Cheap Employee*

Retail stores (as well as restaurants, banks, hotels, airlines and other "service" businesses) are known for low wages in pursuit of low cost offerings that appeal to value-conscious consumers. While customer satisfaction should be a primary concern, what happens is that high turnover, poor morale, and inadequate training result in poor operational execution.

Although on its surface retail is not a particularly complicated business, there's lots of room for things to go wrong if front-line employees don't care. For instance, on a recent visit to an apparel retailer, a cheery young sales associate asked how she could "help me." When I asked for a specific item in a certain size, to my dismay she pointed out the obvious—"if we have any they'll be back on that wall" pointing to a display approximately 10 yards away. I became frustrated by her lack of willingness to help me find the product, or to look in the stock room if it were not on the sales floor, as I'm sure other customers likewise become frustrated when products are in the wrong place or when they're hassled upon making returns. Sure this employee was "nice enough" but just not willing to go out of her way to help a customer.

The problem with low wages is that while they can have an immediate impact on the profit and loss statement, long-term they disrupt the operation. Some low-cost retailers, such as Costco, Trader Joes, and QuikTrip have found that by paying employees more than their competitors—in terms of wages, benefits and training—that they can attract better workers and retain them longer. Retailers who have *invested* in their employees are proven to have not only lower prices, but they have a more loyal customer base and are more profitable than their competitors.[1]

Consider how this retail analogy applies to your urgent care center. The center's manager likely cannot control the factors that affect top-line revenue such as payer reimbursement, incidence of cold/flu, marketing campaigns or competition. But they can directly control staffing levels, schedules, and overtime. Managing what they can control, they seek to attain profitability by cutting labor costs—by getting "cheap" employees. But what does it cost the center when a visit isn't documented correctly, when patient questions go unanswered, when patients incur long wait times, or when supplies get wasted? Any process engineer knows that re-work is far more expensive than doing things "right" the first time. The staff may smile and be courteous to patients but these niceties can't make up for flawed execution in the core business.

[1] Adapted from Zynep, Ton. "Why Good Jobs are Good for Retailers." *Harvard Business Review,* January-February, 2012.

Lessons from the Great Workplaces

Consider some of the benefits bestowed upon employees of *Fortune Magazine's* "50 Best Small and Medium-Sized Companies to Work For," which include[2]:

• Employs a psychologist to motivate employees • 100% tuition-reimbursement for job-related education • Employees' kids can qualify for $1,500 scholarships • Six to eight weeks paid maternity leave • Company-sponsored go-kart racing • Cash awards for tenure milestones • Annual office Olympics • Employees get gift card rewards for strong performance • Camaraderie-building Whirlyball tournaments • Employees blow off steam by playing Wii games on-site • All employees get to suggest new ideas • Company dodge-ball team • Unlimited paid time off and sick leave • Party-planning team spends $50,000 a year • Employees get 100 hours paid time off to volunteer • On-site massage and manicures	• All employees get $5,000 and an extra week off after five years • Reduced health premiums for participating in wellness programs • Free lunch, breakfast items, and snacks on-site • Employees star in company ads • Pays for higher education • 90% new hires are referrals from employees • Provides $5,000 towards employee's first-time home down payment • $400 to spend on personal technology • New parents are given a car safety seat • CEO awarded some of his shares to current employees • Parents get time off to attend child's first day of school • Merit-based scholarships for employees' kids • Salaried employees can receive overtime	• 45 days paid time off per year • Company's holiday cards are designed by employees' kids • On-site "serenity room" with massage chair • 100% of employees receive company stock • All employees receive stock options • Provides $1,000 towards personal wellness activities • All new hires get interview training • Office space has a slide • New moms can bring babies to work • Monthly rock concerts held at the office • Employees receive $100-1,000 gift when they get married • Three days a year of free backup child care • Free lunch Friday; free breakfast Monday • All employees can use flexible scheduling • Game room with putting green, mini basketball and darts • Office shuts down at 3:30pm on Fridays • Employees helped decide company slogan

Granted, many of the companies that implemented these practices are in high-tech and other "cutting edge" industries, staffed with highly paid managers, engineers and administrators. So even though the front-line presence and bottom-line economics of an urgent care center generally cannot support these types of benefits, something can be gleaned from the "spirit" of these ideas. These "perks" all go to meeting employee needs in a tangible way—helping employees achieve satisfaction in their jobs such that they go the extra mile to serve customers and remain loyal to their employers. Although many of these perks are quite "expensive," employers obviously consider the costs a "long-term investment" with a *return,* instead of a "short-term expense" to be *eliminated.*

You Get What You Pay For

When it comes to people, the saying applies, "you get what you pay for." If your urgent care center is to attract the caliber of staff who will show up with their "hearts in hand," deliver quality medical care and a first rate patient experience—then there's a price to pay. But rather than view this cost as an "expense," consider it an "investment" in the business with dividends to be paid in reduced turnover, increased patient loyalty, and positive word-of-mouth.

[2] "Small but Great Workplaces,´ *Fortune,* 12 November 2012, p. 36.