

Bronson: A New Century of Healthcare

Introduction

On a cold wintry day in Kalamazoo, Michigan a nurse at the Bronson Methodist hospital received an urgent call from her husband. He was scouring the house trying to find his keys to drive his two young children to school. The nurse frantically reached her hand into her purse and pulled out both sets of keys; he was stranded. Realizing that to get the keys to her husband she would have to leave work and potentially jeopardize the care of her patients, she decided to call Bronson’s concierge service, a complimentary service that runs personal errands to help ease the stress for Bronson’s 4,100 person, mainly female, workforce. A young woman in the concierge office graciously listened to the predicament and immediately whizzed by the nurse’s desk, picked up the keys, and dropped them off to the nurse’s husband at home so that he could get the kids to school on time.

Background

The Bronson Healthcare Group (BHG) is a community-owned non-profit healthcare system located in Kalamazoo, Michigan. Established in 1900, BHG has grown to become one of the area’s largest employers, with a current employee base of more than 4,100. In addition to providing coveted and quality jobs to residents in this area, the hospital’s 2005 annual gross patient revenue of \$751M allowed it to donate \$33.4M in community benefits in the form of donations, community education, and charity care.¹

Exhibit 1: Bronson Quick Facts

Bronson Healthcare Group	
Industry	Healthcare
U.S. Employees	4,100
Voluntary Turnover	5.6%
Headquarters	Kalamazoo
CEO	Frank J. Sardone
Founded	1900
Website	www.bronsonhealth.com

BHG includes the flagship Bronson Methodist Hospital (BMH), Bronson Vicksburg Hospital, and affiliated organizations and services, including a home health care, staffing service, health plans, a health foundation, lifestyle improvement and research center, and advanced radiology services.

In 2000, the Bronson group began the redevelopment of one of its campuses and sought not only to revive its facility, but also its philosophy. Its goal was to create a total healing environment. Since

then, it has worked to attain financial success through its strategic Plan for Excellence, a happier and more loyal employee base by instituting a Workforce Development Task Force, and national recognition for quality healthcare through a greater focus on patient satisfaction and loyalty.

Indicators of Success

Since 2000, most likely due to this shift in focus, BHG has won numerous coveted awards that showcase why it is one of the best places to work in America. Not only has it won local accolades, such as being named by the Michigan Business & Professional Association as

¹ Ulshafer , Susan, Potgeisser , Marilyn, and Lima, Tillie, “Concierge Services Help Deliver Better Work/Life Balance At Bronson Healthcare Group,” Journal of Organizational Excellence, 2005

the number one place to work on their "Western Michigan's Best and Brightest Places to Work" list of 2003, but it has also topped the nationwide Fortune list of "Best Places to Work" for the past three consecutive years. In addition, BHG has appeared on Working Mother magazine's "Best Places to Work" list for the past three years. In response to the recognition from Working Mother magazine in particular, Frank J. Sardone, President and CEO of Bronson Healthcare Group, said, "It reflects our dedication to not only reinventing the health care experience for our patients but also to reinventing the workplace in collaboration with our employees so we can attract and retain the best workforce possible."

BHG also broke industry norms when it was one of the first healthcare organizations to receive the extremely selective Malcolm Baldrige Award in 2006, which is given to organizations that are judged to be outstanding in leadership; strategic planning; customer and market focus; measurement, analysis, and knowledge management; human resource focus; process management; and results.²

Sardone's mantra is "continuously raise the bar," and with this in mind, in 1999 [above it says 2000], Bronson adopted a corporate strategy with three main tenets to achieve success across the organization:³

1. Clinical Excellence (CE)
2. Customer and Service Excellence (CASE)
3. Corporate Effectiveness (CORE)

The full strategic plan, termed the "Plan for Excellence," is shown in Exhibit 3 below. Not only is Bronson striving to be a place where its employees want to work, which is clear from the numerous people-related awards that it has received, but it also sets the bar high for continuing profitable growth and creating a more satisfied and healthy patient base.

Commitment to Patients and Profitability [as they are a not-for-profit, do they speak of "profitability?"]

Bronson first and foremost centers its leadership on the needs of its patients, and considers patient loyalty central to its overall effectiveness.

"In pursuit of excellence, BMH has moved beyond monitoring patient satisfaction to measuring patient loyalty...BMH believes that loyalty is fostered by providing high quality patient outcomes in a safe, consistent manner, while delighting patients with superior customer service..."⁴

The results of this quest for excellence are clear. Between 2002 and 2004, BMH pushed its mortality rate below the average rate of the top 15% of healthcare facilities in the nation. In

² "Frequently Asked Questions about the Malcolm Baldrige National Quality Award," National Institute of Standards & Technology, http://www.nist.gov/public_affairs/factsheet/baldfaqs.htm, August 2007

³ Paladino, Bob, "5 Key Principles of Corporate Performance Management," Strategic Finance, June 2007

⁴ "2005 Malcolm Baldrige National Quality Award Application Summary," Bronson Methodist Hospital, 2005

addition, in a 2005 report, patient perception of safety was 98% and patient satisfaction has been increasing since 2002.

Consequently, and probably due to loyal patients returning for care and recommending Bronson to others, there has been a positive trend in revenue over the past decade. BMH’s total operating revenue was \$596 million in 2003 and \$683 million in 2004. Over the last several years, BMH’s profit [again, do they refer to it as “profit?”] margin has exceeded the Council of Teaching Hospital’s top 75th percentile and their percentage of growth in eight key service areas is outpacing the market in each area.

A Diverse and Rewarded Staff

In order for Bronson to achieve this profitable growth and cultivate loyalty in its customer base, they realized that it was important to have a staff that was dedicated to achieving excellence. In 2000, Susan Ulshafer, BHG’s Senior Vice President of Human Resources and Organizational Development, and Marilyn Potgeisser, BHG’s director of Human Resources, met with The Spencer Group, an organizational development and human resources consulting firm to talk about how to strengthen Bronson’s commitment to its people. The result was the creation of a Workforce Development Task Force and a new philosophy, centered on diversity, learning, and recognition to ensure that Bronson would become a center of Workplace Excellence.

Today, Bronson fosters a diverse and service-oriented workforce and believes that “the active pursuit of diversity strengthens [their] efforts to be the best place to work and receive healthcare services.” After recruiting this diverse workforce, they also invest extensively in employee development. Between 2002 and 2005, investment in employee training and education has increased 43%, from \$3,108 per full time equivalent to \$4,453.

One of the most salient factors of BMH’s commitment to its employees is its comprehensive rewards and recognition program. Bronson has gone so far to hire an outside consultant and service firm, Best Upon Request, as a “Concierge Service” to serve the recognition and convenience needs of its employees.

As illustrated in the opening paragraph, this group not only covers arrangements for recognition events, such as ordering flowers and cards, but it also helps relieve employee stress by running errands such as trips to the post office and personal shopping. The concierge services are available 24 hours a day, 365 days a year over the phone and in person during business hours.

When asked about the rationale behind the program, Ulshafer stated, “we wanted to provide our employees, a primarily female population, with some relief from their busy lives... and we wanted those services to be as convenient and efficient as possible.” The unique program is a

Exhibit 2:

Why Bronson Is a Next Great Organization		
<u>Educational Incentives</u>	<u>Recognition and Rewards</u>	<u>Benefit Enhancements</u>
Tuition assistance	Thank you notes	Flexible child care
Scholarships	Leader recognition toolbox	Phased retirement program
Advanced degree bonuses	Celebrations, picnics and parties	Paid paternity leave

great indicator of how Bronson goes the extra mile and deserves to be hailed as a great place to work. In addition to this special service, Bronson also offers

the benefits shown in Exhibit 2.⁵

The outcome of this shift in values, the creation of these task forces, and a broadening of benefit offerings can be seen through measurements of employee satisfaction. One key indicator is turnover. In the healthcare industry, turnover is a challenge facing most organizations. National RN turnover rates averages between 35 and 60 percent within the first year of hire.⁶ Bronson's RN turnover dropped from 13.5% in 2000, an already low average for the industry, down to an incredible 4.7% in 2005. Overall employee turnover also hit a low of 5.6% in 2005, down from 20.8% in 2000.

One mechanism used by Bronson to monitor worker satisfaction is the survey tool administered by the Great Place to Work Institute. BMH is provided with a Great Place to Work Trust Index that includes five dimensions (credibility, respect, fairness, pride, camaraderie). From the 2004 survey, ninety percent of the employees surveyed rated BMH as a "great place to work" compared to 87% of all Fortune Best 100 companies.

Conclusion

It is hard to imagine that an organization operating as well as Bronson could take on much more, but they are. Due to all of its success, Bronson feels a responsibility to spill its secrets on how to have a more diverse, well-trained, happy, dedicated staff to support greater overall profitability and patient loyalty. According to Michele Serbenski, executive director, Corporate Effectiveness & Customer Satisfaction, "Bronson is committed to being a role model organization and helping others...in pursuit of performance excellence. We are hosting quality sharing days in 2006 [did they in 2007 and/or can we change the tense?] and also presenting at various conferences."

⁵ Funk, Valerie, "Employee and Patient Focus Earns the Baldrige," Quality Progress, August 2006

⁶ "Versant Advantage Partners With Christus Spohn Health System for Recruitment and Retention of New RNs; Proven Education Solution Supports Capacity Building Skills for New Nurse Hires," Business Wire, July 10, 2007

Exhibit 3: Bronson's Plan for Excellence

