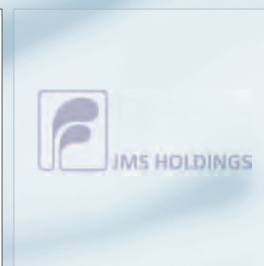
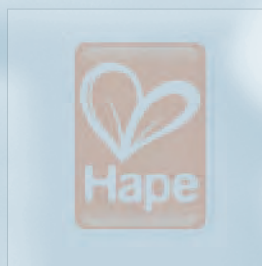


4. Company case studies

Learning from others

This chapter presents five detailed case studies of companies from different sectors and geographies that successfully implemented skills-development initiatives at all three levels: for their workforce, in the value chain, and in the local community. The case studies not only provide detailed insights into how the skills gaps were addressed, but also show how to apply the good-practice frameworks and the methodologies for the cost-benefit appraisal discussed in Chapters 2 and 3.



Hospital Sírío Libanês

A Brazilian hospital is committed to skills development of its workforce and the community

Executive Summary

Established in 1921, the Sociedade Beneficente de Senhoras – Hospital Sírío Libanês (hereafter HSL) is a leading private hospital in Brazil, and is well-known throughout Latin America. The hospital, with six units in São Paulo (headquarters) and Brasília, is a non-profit civil entity, renowned for its high-quality care and expertise in the areas of oncology, neurosurgery and transplantation. HSL is in the midst of a large-scale modernization and expansion, which will double its 2013 capacity by 2017.

Given its excellent reputation, it has no difficulty in attracting highly qualified doctors and healthcare specialists. The difficulty is rather with the low- to medium-qualified operational jobs – those involving auxiliary medical tasks (e.g. hygiene, cleaning, hosting and catering), nursing work, and technical support functions (as provided by electricians, plumbers and specialist mechanics). It is here that the hospital struggles to recruit enough adequately qualified candidates, and where it faces high attrition rates.

For HSL, investment in people and skills development is part of its strategy: the management believes that the hospital's success is based on the efforts of everyone. There is also the matter of staying abreast of the newest developments in technology and treatments, and that too requires continuous training. Accordingly, HSL invests heavily in systematically assessing training needs and providing employee training – including graduate courses or distance-learning platforms. In addition, the hospital invested in a multi-disciplinary qualification center, which uses simulation techniques to train new hires and existing staff to work effectively in multi-disciplinary teams. In order to fill vacancies on the low-to-medium skill level internally and to increase career prospects, the hospital has introduced a skills-upgrading program, which awards scholarships for up to two years of specialist training for nursing technicians and staff in technical support functions. On completion of the course, the trainees can change departments and gain promotion.

To address the relatively high attrition rate among low-skilled auxiliary medical staff, HSL initiated a neighborhood qualification project, which provides three months of training to people from the local area to work in catering, hygiene or other auxiliary roles. Furthermore, in partnership with the Ministry of Health, HSL trains healthcare professionals from across the country, and provides outpatient services to the needy. The training courses are conducted partly through HSL's own Sírío

Libanês Education and Research Institute (IEP), which advances research in healthcare and spreads the latest knowledge.

It turns out that HSL's initiatives generate important benefits for the hospital: they enable it to maintain its high quality standards, fill positions internally, and bridge its skills gaps. For its employees (especially the low-to-medium-skilled), the initiatives help to increase their career prospects and salaries. By involving employees in the community-development initiatives, HSL not only realizes the initiative at low cost, but also instills a sense of pride among the employees. For the community, the neighborhood qualification project boosts employment locally; the training of healthcare professionals and the other work of the IEP contribute to improving the Brazilian public healthcare system. In sum, the benefits clearly outweigh the costs.

Among HSL's activities, a number of good practices can be cited as potentially helpful to other companies: notably, the identification of suggested improvements through an engagement survey (good practice 5.3 in the framework for workforce development described in Chapter 2.1), detailed operational personnel planning (1.1), transparent and comprehensive career paths (4.1), and dedicated training and development teams in each department (4.2).

1. Company background

The Sociedade Beneficente de Senhoras – Hospital Sírío Libanês (i.e. the Ladies' Beneficent Society; hereafter HSL) is a leading private hospital based in São Paulo, Brazil. Established in 1921 by a group of first-generation Syrian and Lebanese immigrant women, HSL operates as a non-profit civil entity, although its management structures resemble those of the private sector.¹ The hospital specializes in surgery, using the latest medical technologies, but also provides a wide range of inpatient and outpatient health services. Across the country and Latin America, HSL has a very high reputation in the fields of oncology, cardiology, neurosurgery, urology, orthopedics and abdominal surgery. The hospital runs six medical centers in São Paulo and Brasília, employing 5,800 staff overall, of whom 3,200 are medical staff. In 2014, at its main Bela Vista complex in São Paulo, HSL accommodated 439 beds and conducted 1,155 surgical procedures on average each month.

[All notes at the end of this chapter \(Page 11\)](#)

In 2008, HSL developed a long-term modernization and expansion plan, as its capacity was no longer sufficient to cater for the demand for health services in São Paulo. The plan, which entails a cost of USD 375 million, is aimed at optimizing work flows while reducing operative and administrative costs.² A more specific aim is the modernization of existing hospital facilities and the construction of two new hospital towers to be fully operational by 2016. By 2014, 71 new beds had already been added, and a new intensive care unit is to follow in 2015. By 2020, the number of employees is expected to rise to 8,500.

2. Workforce challenges faced by health service providers in Brazil

High demand for health services and the low quality of public health institutions – in such an environment, private hospitals such as HSL have become essential for providing high-quality health services and filling gaps in Brazil's public health system. In a 2014 survey, the public Unified Health System (SUS) was rated unsatisfactory by 80% of the population, owing to lengthy waiting times and the difficulty of accessing more complicated procedures. Hence the high demand for private healthcare.³

Demand for healthcare generally in Brazil, and specifically for private healthcare, is due to rise further, in keeping with three inter-related trends: first, Brazil's average population is aging; second, the country's middle class – and the proportion of the population that can afford to pay privately for healthcare services – has been constantly growing; third, along with the emerging middle class, people have become more knowledgeable about healthcare standards, and more willing to invest a larger share of their income in medical care.⁴ Owing to existing deficiencies in Brazil's public healthcare system, middle-income earners are expected to turn increasingly to private healthcare providers.

The Brazilian healthcare sector is characterized by regional disparities: in the state of Rio de Janeiro, there are more than 40 physicians per 10,000 population, as against just 7 per 10,000 in the state of Maranhão.⁵ Measured against the UK figure of 23 physicians per 10,000 population, the national physician shortfall is 168,000, according to official calculations – almost 50% of the country's current total of about 360,000 active doctors. In recent years, according to the annual social information report, 54,000 more positions for physicians were created than students graduate from medical schools. In a satisfaction survey of SUS, 58% of respondents consider the main problem to be the shortage of physicians. The Brazilian government has launched an initiative called *Mais Médicos* (more doctors) to hire local and foreign physicians to work in poor and remote areas.⁶ The initiative shows that Brazilian healthcare providers generally struggle to attract physicians – especially in remote regions. Apart from the shortage of physicians, another factor weakening Brazil's healthcare system is the lack of standardized processes, largely due to the weakness of management skills on the part of many executives. The negative impact is

severe – on corporate strategic planning, clinical governance structures, and operational efficiency.⁷

These workforce challenges faced by Brazilian health service providers have to be seen against the backdrop of Brazil's increasingly tight labor market in general. By 2020, the labor shortage could amount to 8.5 million workers (7% of the required labor supply), owing to a slowdown in population growth and to an aging population, according to a study by The Boston Consulting Group (BCG).⁸

In sum then, Brazil's health service providers face two broad workforce challenges: under-recruitment of qualified medical staff and doctors in a time of rising demand; and the inadequacy of management structures, especially in the country's public healthcare system, due to a lack of sufficiently trained and experienced management personnel.

3. HSL's skills gaps: Coping with vacancies in auxiliary medical and technical support positions

HSL's ambitious plan – to almost double its number of hospital beds and to increase its medical staff by 1,200 within less than ten years – poses various challenges for the hospital's human-resources structures. Despite the rising demand for medical staff in Brazil, and the nationwide difficulty in finding them, HSL has been able, thanks to its excellent reputation, to attract highly qualified physicians, nurses and healthcare specialists. Applicants outnumber vacancies, so HSL is in a position to select from a large pool of candidates. Its main challenges therefore are to identify those candidates that fit into the hospital's culture; to maintain engagement among the existing medical staff; and to ensure the expansion's success by securing skilled personnel for leading and managing larger units and the larger organization.

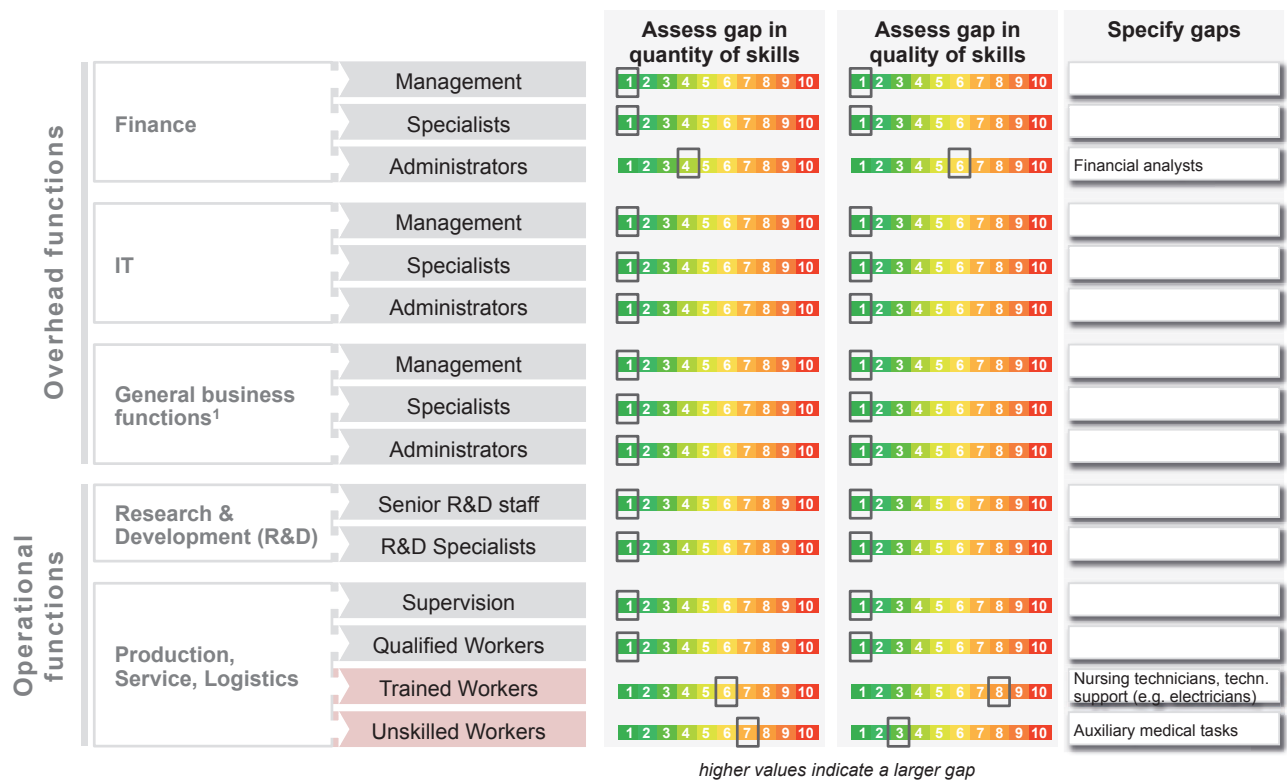
Administration: Only a small shortage of financial analysts thanks to low attrition levels

On the administration side, HSL registers almost no skills gaps, since it is able to recruit sufficient qualified personnel and has a very low turnover – less than 10% per year. For this reason, the hiring needs are very low, and most of the management personnel can be developed internally. It is only with regard to financial analysts that the hospital has some difficulties in finding enough qualified candidates (Figure 1).

Operations: Shortages of auxiliary medical and technical support functions at the low-to-medium-skill level

On the operations side, HSL faces skills gaps mainly at the low-to-medium-skill level – for auxiliary medical tasks such as hygiene, cleaning, hosting and catering. Candidates have to go through three months of in-house training to ensure compliance with the hospital's high hygiene and sanitary standards. The

Figure 1: Assessment of HSL's skills gaps



1. Human Resources, Marketing and Sales, Communications etc.

turnover of these trained employees is about 20% per year, which is higher than that at other hospitals, so new staff are constantly having to be recruited and trained. Similarly, HSL faces a skills gap among its nursing technicians: they have about 1.5 years of vocational training, but tend to lack practical knowledge. Finally, HSL has difficulties in finding adequately qualified staff in technical support functions – electricians, plumbers, and specialist mechanics such as air-conditioning mechanics or x-ray mechanics.

In sum, there are obvious advantages in being a renowned medical institution when it comes to attracting healthcare professionals and skilled administrative staff from all over Brazil; but skills gaps persist for HSL in respect of auxiliary medical staff and nursing technicians and technical support staff.

4. Addressing HSL's skills gaps and improving public healthcare

To tackle its skills gaps, HSL has implemented a number of initiatives at two levels – workforce development and closing skills gaps in the broader community (Figure 2). In addition, it monitors the quality of its medical and hospital supplies and service suppliers rigorously and provides specific training courses to suppliers.⁹

4.1 HSL's workforce development: Taking care of those who care

Skills development is essential for continuously improving the quality of HSL's care and for enabling the incorporation of new technologies and treatments. Training is also an integral part of the hospital's strategy and its expansion project, for which nearly 1,500 new employees were hired for the São Paulo unit in 2014 alone. For these reasons, and to address the above-mentioned skills gaps among its auxiliary medical and technical support staff, HSL invests heavily in the development of its current and prospective workforce.

Multi-disciplinary qualification center: Using simulation methods to develop skills

Working in multi-disciplinary teams is an important precondition for delivering high-quality care to patients. Accordingly, HSL has invested in a multi-disciplinary qualification center that provides training to teams by simulating typical situations, including the most frequent errors that occur during treatment and care. The current focus is on providing simulation training to newly-hired staff in nursing, physiotherapy, nutrition, cleaning, and other healthcare-related professions. This on-boarding training is divided into three parts: first, information management, computer and IT tools; second, the right approach for assisting (elderly and difficult) patients; finally, quality standards such as hand hygiene, isolation of contagious patients, and ways

of reacting in emergencies. An additional media room allows the recording and editing of training sessions for future use. In future, the simulation training should be extended to include administrative staff and other sections of the workforce.



HSL's new multi-disciplinary qualification center

Skills-upgrading program for the operational level: Fostering skills development of the low-skilled to qualify them for formal positions

Every two years, HSL conducts an engagement survey among its workforce to identify pain points and suggestions for improvement. The last survey revealed that many employees feel they lack good career prospects at the hospital. For this reason, and also because so many auxiliary medical and technical-support positions remain unfilled owing to the lack of qualified internal and external candidates, HSL has developed a skills-upgrading program to develop skills internally. Starting in the summer of 2015, the program offers scholarships for employees who wish to gain further qualifications for working in difficult-to-recruit areas, such as those of electricians, nursing technicians and financial analysts. The employees are selected jointly by managers from their current (sending) department and future (receiving) department, and will undergo up to two years of

specialist technical training in selected schools and certified institutions before they change positions. The plan is to offer scholarships to about 30-40 employees each year.

Systematic skills assessment and employee training: Ensuring high-quality patient care

HSL carries out an annual performance assessment – currently covering 95% of the workforce – in order to assess each employee's development stage and identify potential skills gaps, training needs, and opportunities for professional development. Following a systematic self-assessment, the manager and employee jointly devise an individualized plan detailing the employee's specific development and training path. In addition, HSL continuously monitors healthcare-related indicators, such as hand-hygiene performance or number of patient falls, and develops training programs accordingly.

Following this systematic needs analysis, the hospital offers a broad training program for its employees – particularly for the care teams, in view of the rapid evolution in patient-care equipment and techniques. Training courses are provided in-house, either by external training providers or by the hospital's own Education and Research Institute (IEP) training center (see below for further details). At the IEP, 5% of courses are earmarked for HSL employees, fully paid for by the hospital, and awarded via a (performance-based) selection process. In addition, employees with tenure of more than one year can apply for scholarships (worth 70% of the tuition fees) for Masters or PhD programs (at the IEP or external institutions) and for language courses. There are also education forums on different topics, and more than 15 courses – including nursing, physiotherapy, and infection prevention – that are available to employees through a distance-learning platform. The platform had about 14,000 hits in 2013. Finally, a dedicated management-development program offers leadership training tailored to each of the four management levels, from supervisor to superintendent.

Figure 2: Overview of HSL's initiatives to bridge its skills gaps

Type of initiative		Initiative	Main purpose
A	Workforce development	A.1 Multi-disciplinary qualification center	Foster effective cooperation in multi-disciplinary teams and through simulation training
		A.2 Skills upgrading for operational level	Foster skills development and fill vacancies internally in auxiliary medical and technical support positions
		A.3 Systematic skills assessment and employee training	Develop skills systematically in keeping with individual training needs
B	Value-chain development	A systematic analysis of training activities for suppliers as part of the requirements for the OHSAS 18000 and ISO 14001 certifications was beyond the scope of this case study.	
C	Community development	C.1 Neighborhood qualification project	Train and hire people from the neighborhood for auxiliary medical tasks
		C.2 Proadi-SUS training of public healthcare professionals	Foster skills development of the public health sector in return for tax exemptions
		C.3 Education and Research Institute (IEP)	Advance and spread knowledge in (public) healthcare



Snapshot from HSL's distance-learning platform

4.2 Closing skills gaps in the broader community

Since HSL's foundation in 1921, it has maintained the philanthropic ideal and social responsibility as part of its DNA. Hence its committed and continuous engagement in developing skills in the local community and in the Brazilian healthcare sector in general.

Neighborhood qualification project: Training auxiliary staff locally

The hospital regularly replaces its low-skilled staff locally, and provides employment opportunities for the local community. To optimize its sourcing, HSL introduced a community education course in 2012, providing free three-month courses in hygiene, catering and auxiliary tasks for people from the neighborhood of its main Bela Vista hospital in São Paulo. For each intake, about 20-30 participants are selected by HSL's management and recruiting specialists on the basis of interviews as well as some basic tests. The participants are trained by HSL employees. HSL eventually hires about 60-65% of each intake, even if at the start of the course no position is available: the natural fluctuation rate will create the necessary openings within a couple of weeks.

Proadi-SUS: Improving the public health system in return for tax exemptions

HSL is certified by the federal government as a charitable organization, and has large tax incentives for providing support to the public Unified Health System (SUS). The incentives take the form of various exemptions – from the employer's share of payroll tax, from the profit participation contribution (PIS), and from the social security financing contribution (COFINS). The gains from these exemptions must be reinvested in philanthropic projects under the SUS Institutional Development Program Proadi-SUS; the programs include research on health, implementation of new technology, training of medical staff, and patient services for the SUS. At HSL, about 60-70% of the tax-exemption gains are devoted to training healthcare profes-

sionals; the remainder is spent on research or philanthropic patient services. HSL thereby contributes substantially to the development of Brazil's public health system through the development and transfer of expertise in management as well as new technologies. Eager to share its expertise and experience in managing public healthcare units – to improve their effectiveness and speed of response – HSL established the SÍrio Libanês Institute for Social Responsibility, which administers three health clinics and intensive care units in partnership with the municipality and federal district of São Paulo. Finally, HSL is engaged in a further undertaking, in return for help provided by the Brazilian Development Bank (BNDES) in funding the hospital's expansion: HSL is investing 5% of the USD 123 million loan into SUS projects aimed at enhancing health professionals' technical and theoretical skills.

Education and Research Institute (IEP): Advancing public knowledge in healthcare

Education and research are crucial when it comes to maintaining HSL's status as one of the leading medical institutions in Latin America. The IEP was duly established in 2003, with the aim of creating new health-related knowledge and of training healthcare professionals. The institute is equipped with research laboratories for 13 lines of research; it features computer rooms and telemedicine rooms as well as an exhibition space and a library; and it offers specialization courses, refresher courses, and masters and PhD courses, as well as distance-learning courses. In the context of the Proadi-SUS program, the institute also provides training courses in management, healthcare and education for healthcare professionals from all over the country.

5. The role of DFIs: DEG and other DFIs as important financial partners for HSL's growth

For its ambitious expansion project, HSL has received financing from DEG, the French DFI Proparco, and the Brazilian Development Bank (BNDES). As part of the financing agreements, the DFIs have pushed for certification in accordance with OHSAS 18001 and ISO 14001 (two important international standards for occupational health and safety and for environmental management), and in that way have helped HSL to structure and formalize its occupational health and safety measures as well as its activities to protect the environment.

6. The costs and benefits of HSL's engagement

From HSL's accounting data, it is possible to identify the costs of its workforce- and community-development efforts. The benefits, in contrast, cannot be quantified: they accrue on various levels – namely, the institution, its employees, and the

local community, as illustrated in Figure 3. Accordingly, the cost-benefit-appraisal for all initiatives is done qualitatively. The costs and benefits of the initiatives on the different levels are analyzed below.

6.1 Costs and benefits of HSL's workforce development

Company benefits: Having better-qualified auxiliary and technical staff at HSL

The multi-disciplinary qualification center had investment costs of about USD 142,000 in 2014, and has monthly running costs averaging about USD 4,825 – i.e. yearly costs of about USD 57,900. The multi-disciplinary qualification center was completed this year, and systematic training was launched in July, so the benefits cannot yet be fully assessed. But according to the HR department, it is already evident that the participants of the simulation training absorb the training content much better than they do in other modes of training, and that benefit helps to avoid costly re-training and produces better preparation for the actual work. HSL plans to train a total of 400 employees this year.

A further plan is to invest about USD 93,000 in scholarships in the first year of the skills-upgrading program. This program requires no initial investment cost for HSL. In return, HSL expects to be able to fill more positions internally – positions for which qualified candidates are not easy to find in the labor market. The advantages of using internal candidates are these: it saves on recruiting and on-boarding costs; the internal candidates are already familiar with the institution's high quality standards and culture; and attrition will likely decrease, thanks to the employees' improved career prospects (according to the employee engagement survey, low career prospects were a major cause of attrition).

In 2014, HSL spent more than USD 1.4 million on employee training measures. The continuous training of its employees allows HSL to maintain its high-quality patient care. Even against other leading hospitals in the country, HSL excels: it provides on average three hours more training per employee per year – 42.4 compared with 39.2 for the group of four other leading hospitals.¹⁰ Moreover, in 2014, HSL provided a total of 364 scholarships for qualification courses – two thirds of them for language courses. The systematic needs assessment and training are also essential for the hospital's expansion project: the new hires and existing staff need training in order to cope with the larger organization and different processes.

Thanks to its training program, enhanced career prospects, and an attractive benefit package, HSL appears to gain an advantage over other leading hospitals in respect of retention: HSL's average annual attrition rate is 19.9%, compared with 23.2% for the group of four other leading hospitals. HSL regularly receives accolades for the outstanding quality of its patient care, research, and role as employer; for instance, it has been ranked as Brazil's "most admired company in the healthcare sector," and one of the "Best Companies for Consumers" in respect of client relations.

Employee benefits: Improved career prospects within HSL

For employees, HSL's investment in training is beneficial in that it strategically improves their qualification and career opportunities. The multi-disciplinary qualification center equips newly hired auxiliary staff with essential knowledge, and thereby helps them to feel well-prepared for their new positions – that was one key insight from the feedback they gave after the training. Their career prospects improve, especially through the skills-upgrading program: on completion of the training, they can change positions and thereby usually receive a higher salary. As 60% of the hospital's staff are women, and 70% of

Figure 3: Overview of the costs and benefits of HSL's engagement

	Type of initiative	Initiative	Costs ('000 USD)	Beneficiaries			
				HSL	Employees	Suppliers	Community
A	Workforce development	A.1 Multi-disciplinary qualification center	One-off: 142 Running: 58 p.a.	+++	+++		+
		A.2 Skills upgrading for operational level	Running: 93 p.a.	+++	+++		+
		A.3 Systematic skills assessment and employee training	Running: 1,400 p.a.	++	++		+
C	Community development	C.1 Neighborhood qualification project	Running: 7.6 p.a.	+++	+		+++
		C.2 Proadi-SUS training of public healthcare professionals	Running: 34,000 p.a. (cost-neutral)	+			+++
		C.3 Education and Research Institute (IEP)	N/A	+++	+		++

+ Small benefits ++ Medium benefits +++ Large benefits

management positions are held by women, HSL's skills-development measures are particularly beneficial in advancing the status of women in the workplace.

Community benefits: Guaranteeing high-quality care and local employment

HSL's workforce-development program is also of benefit to the local community, as training and qualifications underlie the provision of continuous high-quality care in the hospital. Workforce development is also crucial for the hospital's expansion, which benefits the community through increased employment and through higher tax payments and spending by new hires or promoted employees. Fixed employment increased by 1,000 employees during the three years 2012-2014, and gross payroll payments rose by more than USD 19 million over the same period.

6.2 Costs and benefits of HSL's closing skills gaps in the broader community

Company benefits: Creating a win-win situation for HSL and local communities

The neighborhood qualification project costs only about USD 1,900 per intake, or about USD 7,600 per year, since the trainers are all HSL employees, and finding candidates is very easy thanks to the existing close ties to the community. For HSL, the project is highly beneficial in successfully addressing its main skills gap in auxiliary tasks. Initially, in 2012, only four out of 20 trained hospitality assistants were hired. But in 2013, the program's second year, 24 out of 59 trainees were hired as hospital catering personnel. The training of community members has benefited HSL more than normal external hiring would in several ways. First, the training replaces the internal starter training at HSL for new hires, so the community members, when they join HSL, do not require any additional internal training and are already familiar with the internal processes and quality standards. Second, the community trainees have a lower attrition rate, as they live near the hospital, which saves them time and money to go to work. (Many hires from other parts of the metropolitan area quit when they find another job that is closer to home for them.) Furthermore, HSL has more time to get to know them better during the training period, and is able to select the most promising candidates. Third, by hiring an entire group of trainees at any one time, HSL can exploit economies of scale in recruitment. In addition, the project underpins the hospital's commitment to the local community, and reinforces its reputation as a socially responsible institution.

By definition, the Proadi-SUS program is cost-neutral for HSL, as the hospital has to invest the tax-exemption gains into philanthropic activities in education, research and patient care. In 2014, these gains amounted to about USD 34 million (BRL 118 million) – about 7% of its revenues. The hospital does still bene-

fit, however, from this cooperation with the Ministry of Health, inasmuch as the tax-exemption gains can be partly invested in research, which can further improve the hospital's provision of high-quality care. Moreover, the training of and knowledge exchange with public healthcare professionals from all parts of the country helps to advance HSL's own skills, and consolidates its reputation as a high-quality healthcare provider.

For HSL, the IEP is an important contributor to maintaining the hospital's renowned state-of-the-art patient care and to advancing healthcare knowledge. The importance of the IEP's research activities – involving close cooperation between the hospital's researchers and healthcare professionals – is evidenced by its high publication output: 120 papers have so far been published in peer-reviewed scientific journals. In addition, in 2014, the IEP hosted 60 courses and (international) conferences, bringing together specialists from around the globe.

Employee benefits: Sharing employees' experience for the benefit of the community

Employees, too, benefit from HSL's community-development initiatives – particularly the neighborhood qualification project and the IEP – in that the employees are integrated into these activities as teachers and instructors. In transmitting their knowledge and sharing their experiences, they gain a sense of pride and satisfaction at helping the local community.

Community benefits: Employment opportunities and improved healthcare

HSL's community-development initiatives create considerable benefits for the local community and for the Brazilian healthcare system as a whole. The "neighborhood qualification project" boosts the employability of the local population, and provides direct employment at HSL to about 40-60 people each year – people who might not otherwise be able to find formal employment, as prior to the training their level of education was too low. So the project serves to strengthen the local community, increases families' incomes, and provides them with a more stable livelihood than the informal sector can offer.

The Proadi-SUS program is very beneficial for the country's overall public healthcare system, as healthcare professionals receive training – at one of Latin America's leading healthcare institutions – in state-of-the-art management and treatment methods. The other beneficiaries are the patients, especially those from economically deprived backgrounds, who receive world-class medical treatment: in 2014, more than 23,000 medical interventions were undertaken, including transplants and cancer treatment.

Similarly, the IEP advances knowledge in the public health system: through its education courses, conferences and meetings, healthcare professionals are upskilled, and that enhances the Brazilian health system as a whole. In 2014, the IEP reached

some 24,000 people. And in 2012-2014, the Proadi-SUS program – through its 15 free courses, as well as refresher and specialization courses, graduate degree programs and continuing education – had more than 12,000 participants from across Brazil.

6.3 Overall assessment of costs and benefits

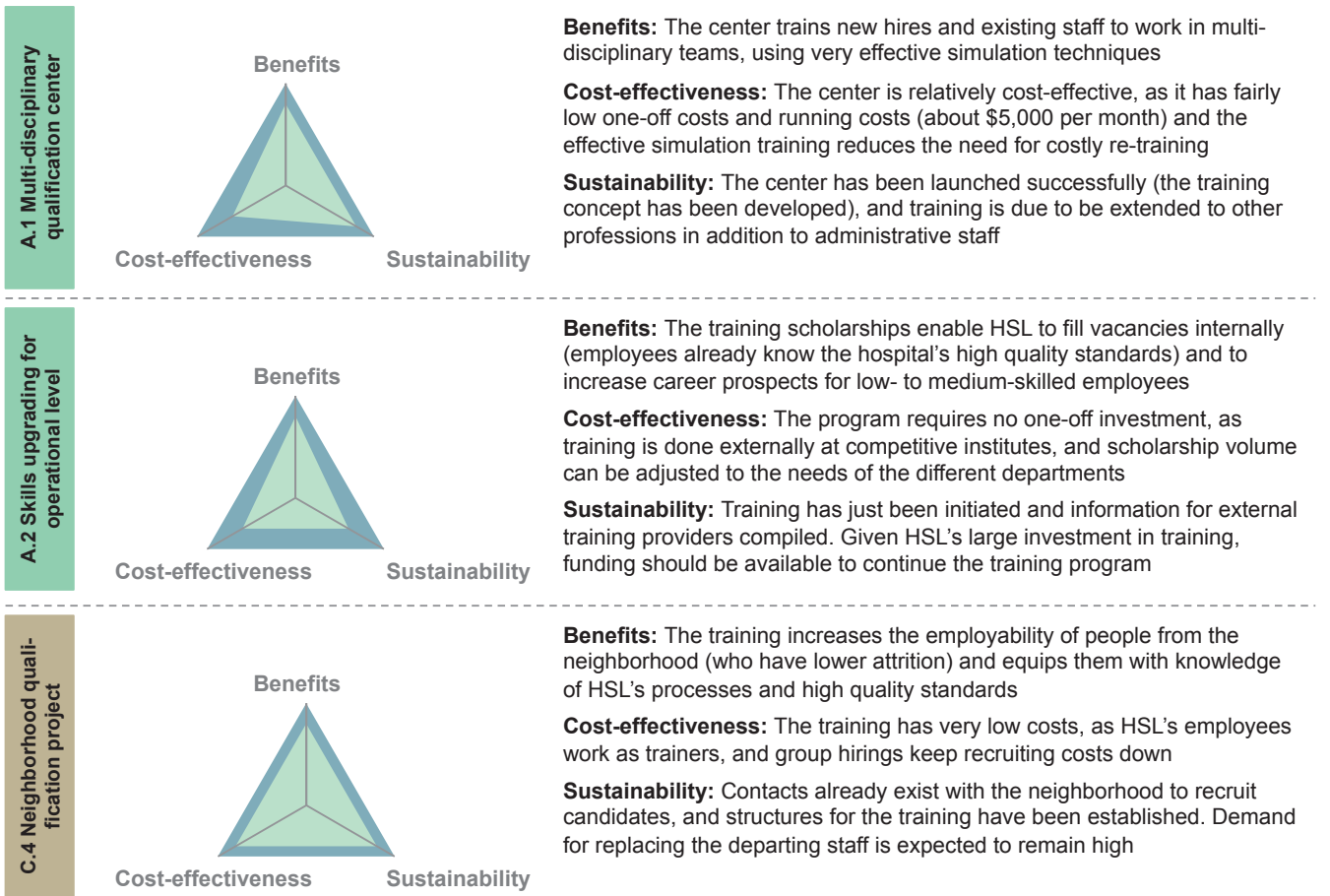
A summary assessment of three initiatives can be developed along three dimensions – benefits, cost-effectiveness and sustainability – as illustrated in Figure 4.¹¹ The size of the green triangle indicates the performance of an initiative along these dimensions: the larger the green triangle is, the better is the overall performance of the initiative. One glance shows that all three initiatives have registered a good overall performance.

- **The multi-disciplinary qualification center** is very beneficial for HSL, as it enables more effective training of new hires and existing staff. Through the use of simulation techniques, employees can internalize the contents better, and that reduces the amount of costly re-training. With costs of about USD 5,000 per month, the center is able to train several teams each month. Now that the center is fully set up, and the contents are fully developed, everything is ready for future train-

- ing courses. Looking further into the future, the training program will be extended to include other professions.
- **The skills-upgrading program**, by providing scholarships for specialized technical education, helps employees at low or medium levels to climb the career ladder, and helps HSL to fill vacancies internally. Despite its considerable total costs, the program is cost-effective, as it has no one-off costs and relies on external training institutes that have to compete in the private-tuition market. The first scholarships have now been awarded, and a list of training institutes has been compiled. So the expectation is that the program will continue in the future, especially since it can be adjusted to the specific needs of the different departments.
 - **HSL’s neighborhood qualification project** helps HSL to fill auxiliary medical positions, and keep them filled, by training local residents, who have a lower attrition rate than other recruits. By using HSL’s own staff as trainers, the project is very cost-effective. And it is very sustainable, now that the recruiting network has been established and demand within HSL looks set to remain high.

By weighting the overall costs and benefits of all initiatives, the following appraisal emerges: HSL has invested heavily in the skills development of its current workforce and the community. The six initiatives listed in Figure 3 (Page 7) have one-off

Figure 4: Summary assessment of selected initiatives



costs of USD 142,000 and running costs of USD 1.6 million per year (excluding the costs for the Proadi-SUS initiatives, which are financed through the identical tax-exemption gains). These running costs correspond to 0.4% of HSL's 2014 revenue. In return, HSL successfully reduces its staff shortages in auxiliary medical positions and technical support functions. Moreover, HSL's workforce-development program helps the hospital to maintain its high-quality care and excellent reputation: it does so by assessing training needs systematically and by offering specific training courses accordingly; by improving collaboration within multi-disciplinary teams; by upskilling new hires through simulation training; and by filling positions (up to and including management level) internally with candidates that are familiar with the hospital's processes and high standards. In keeping with its responsibility as a leading healthcare institution in the country (and as a condition for the tax exemptions it receives as a charitable organization), HSL helps to improve the public health system by means of training public health professionals, advancing research, and directly treating those who cannot afford high-quality care. By qualifying people from the neighborhood for auxiliary medical positions, HSL addresses this internal skills gap and at the same time supports the local community.

For employees, the workforce-development program improves their qualification and career prospects, enabling them to move up the career ladder and to map out an individual career path for themselves. The local community benefits too, particularly

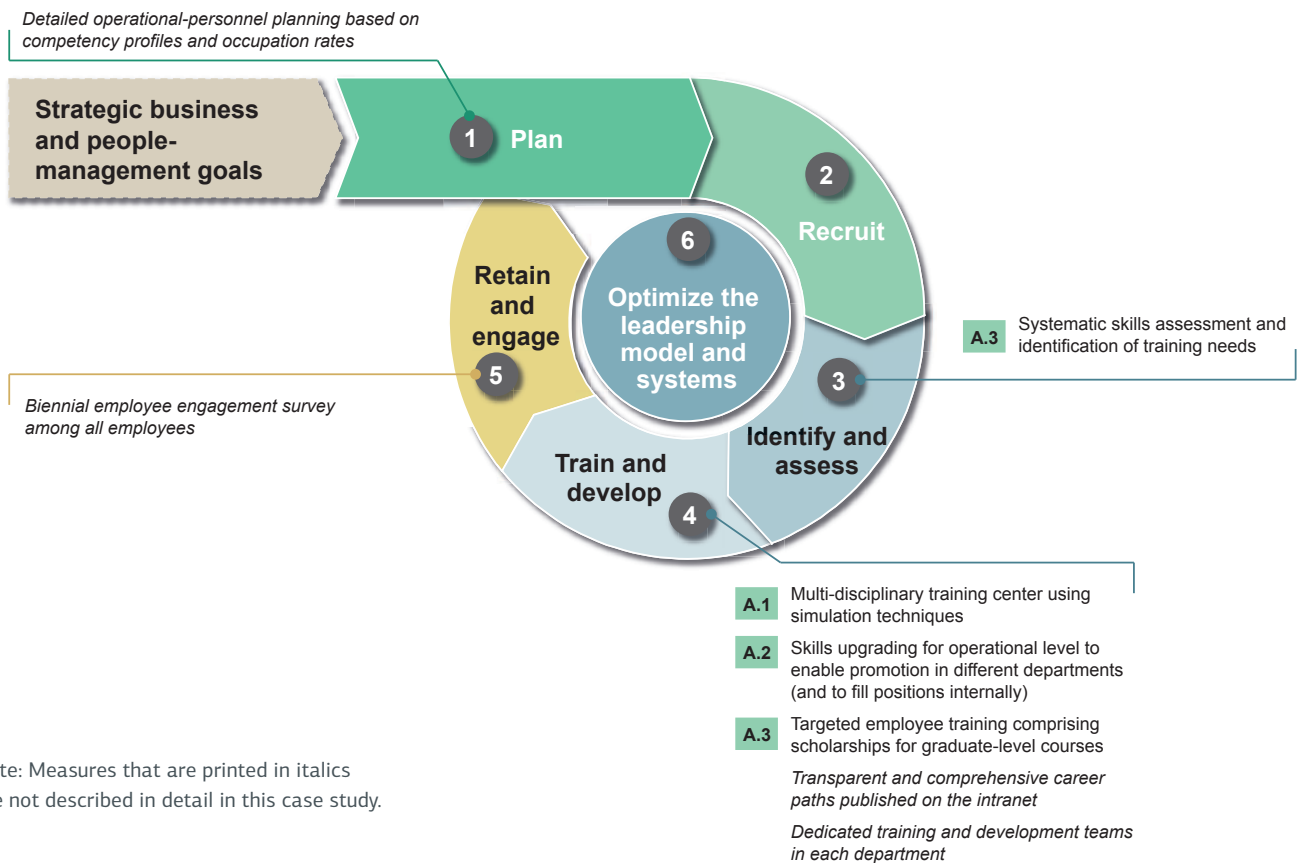
thanks to the opportunity to enter formal employment. That opportunity is facilitated by the neighborhood education project – a win-win project, since HSL likewise benefits from the improved employment situation locally. São Paulo and Brazil as a whole benefit tremendously too, through having a world-class medical institution and from the training and research that HSL conducts to improve the public health system.

In sum, although the lack of quantitative data prevented a quantitative cost-benefit-appraisal, the above qualitative comparison of costs and benefits is a very heartening one: it shows clearly how beneficial HSL's investment in the skills development of its workforce and the community is – for the employees, for the community, and for HSL itself.

7. Conclusion

HSL has engaged very effectively in training its workforce and the community, and its initiatives have succeeded in narrowing HSL's skills gaps on the operational level for auxiliary medical tasks and technical support functions. The initiatives have also helped the hospital to maintain its eminence in high-quality care. And the ongoing program of workforce development supports the current large expansion project, which requires the training of thousands of new employees.

Figure 5: Overview of good practices from HSL's workforce development



Note: Measures that are printed in italics are not described in detail in this case study.

Good practices from HSL that can help companies to close their skills gaps

From studying HSL's initiatives and HR activities, it is possible to identify a number of good practices for workforce development. Figure 5 presents an overview of these practices.

In addition to the initiatives described above, it is worth highlighting four elements:

- 1. Identification of employees' expectations and suggestions for improvement.** This is accomplished through an employee survey every two years, covering more than 75% of all employees, that is evaluated by an independent third party. Results are integrated into the strategic management agenda (good practice 5.3 in the good-practice framework for workforce development described in Chapter 2.1).
- 2. Detailed operational personnel planning.** It is based on individual competency profiles, occupation rates, and complexity of patients, and is designed to increase capacity utilization and reduce the need for recruitment by shifting professionals between departments (good practice 1.1).
- 3. Transparent and comprehensive career paths.** These cover all positions from unskilled worker to CEO. They are accessible for every employee via the intranet, offering the choice of technical, managerial or educational paths, as well as assessing competency profiles and job profiles (good practice 4.1).
- 4. Dedicated training and development teams in each department.** The purpose is to foster skills development specific to the department's needs (good practice 4.2).

Key factors for improving the business case for HSL's multi-disciplinary qualification center

The qualitative analysis has shown that the multi-disciplinary qualification center is already fairly cost-effective, as it has relatively low running costs of USD 5,000 per month, and its innovative simulation teaching methods reduce the need for costly re-training. To further improve the business case, it is worth considering two actions to increase the benefits and reduce the costs:

- 1. Extend the training to include other professions.** As already planned by HSL, the center should be used to train other professions in addition to assistant medical staff as at present, since the training methods are highly effective and the running costs of the center are fixed.
- 2. Share costs with other hospitals, and train external medical professionals.** It is important to utilize the full capacity of the training center. One important way to achieve this goal, once internal training needs are satisfied, is to cooperate with other healthcare providers in training their staff in the existing facilities. In return, the external providers could contribute to the running costs of the center – for example, by paying a course fee.

Lessons learned from HSL

From an analysis of HSL's initiatives, it is possible to derive some lessons that might help other companies to address their own skills gaps more successfully:

- Using new technologies and methods will help greatly to increase the absorption of training content.** By testing and adopting new methods and technologies, a company can facilitate access to training content (e.g. through distance learning or e-learning) and aid its translation into daily practice (good practice 4.4 in the good-practice framework for workforce development described in Chapter 2.1).
- Integrating HR and employee development into the company's strategy will contribute to skills development.** Skills development will be boosted considerably if given explicit support by top management, and if employees' contribution to it is given proper acknowledgment (good practice 6.5).
- Taking employees' feedback seriously and responding explicitly will help to boost employee engagement.** By conducting an employee engagement survey and/or inquiring into the reasons for voluntary exits of employees, a company can gain a wealth of information. By acting swiftly on this information and developing initiatives that explicitly respond to the employees' concerns, the company can build trust and evolve the partnership between management and staff (good practice 5.3).
- Leveraging employees in community-development activities helps to reduce costs and increase employee satisfaction.** If a company integrates its employees into community-development initiatives as trainers, it can not only reduce training costs but also imbue the employees with a feeling of pride and purpose, and thereby boost their engagement and loyalty.

Notes

- ¹ Information provided by HSL. If no specific reference is given, information in this case study is based on information provided by HSL and/or based on expert interviews conducted via telephone in June and July 2015.
- ² The following exchange rate is used: 1 USD = 3.52 BRL
- ³ Deloitte (2014): 2015 Health Care Outlook Brazil.
- ⁴ PricewaterhouseCoopers (2013), The Healthcare market in Brazil.
- ⁵ World Health Organization (2013), A universal truth: No Health Without a Workforce.
- ⁶ Government of Brazil (2013), Meeting Minutes: Mais Médicos.
- ⁷ Deloitte (2014), 2014 Global Health Care Outlook: Shared Challenges, Shared Opportunities.
- ⁸ Boston Consulting Group (2014), The Global Workforce Crisis: \$10 Trillion at Risk.
- ⁹ HSL is providing training to suppliers as part of the requirements for the OHSAS 18000 and ISO 14001 certifications. A comprehensive review of these training activities was beyond the scope of this case study.
- ¹⁰ HSL uses as a benchmark the other four hospitals in São Paulo that are also rated as "excellent" institutions.
- ¹¹ The other three initiatives – including the special cost-neutral training program based on the tax exemptions – are described more fully above, and are summarized in the overall qualitative assessment below. For details on the methodology, see Chapter 3.