

Risk Insights: Senior Living & LTC

Episode 12

Developing a roadmap for workforce success

Welcome to the *Risk Insights: Senior Living & LTC* podcast, hosted by Tara Clayton with Marsh's Senior Living & Long-term Care Industry Practice. Each month, Tara, a former litigator and in-house attorney, speaks with industry experts about a variety of challenges and emerging risks facing the industry.

Tara Clayton:

Hello and welcome to *Risk Insights: Senior Living and Long-Term Care*. I'm your host, Tara Clayton. In today's episode, I'm joined by two experts to discuss the challenges we're seeing in the industry related to the current workforce issues, as well as where they see the future of work and where it's going. First, I'm joined by John Derse, senior partner and healthcare provider industry practice leader at Mercer. Hi, John. Thanks for joining today.

John Derse:

Hi, Tara. Nice to be with you. Looking forward to the conversation.

Tara Clayton:

And I'm also joined by David Mitchell, partner in Mercer's career practice. Hi, David. Thanks for joining.

David Mitchell:

Hello, and looking forward to this timely conversation.

Tara Clayton:

John and David, before we get into what is to me a very hot topic right now, I'd like just to get a little bit of more detail about how you guys engage with clients at Mercer related to the transformation of work and some of the workforce solutions you guys have been looking at. John, I'll start with you.

John Derse:

Sure, yeah. Thank you, Tara. You know, I mean healthcare, healthcare providers, specifically hospitals, health systems, children's hospitals, academic medicine, senior living, senior care, these are all together part of what we call our healthcare industry vertical. It's such a significant part of Mercer's client portfolio and client work in this company that we're actually organized around this specific industry and its needs.

And because of that, we're able to track trends, we're able to invest heavily in research and develop solutions that keep pace, if not, hopefully, a step ahead of where this extraordinary transformation, disruption, however you want to refer to it, is headed. And I think this is particularly a part of the industry that we are really focused on, especially given changes that we'll be talking about, certainly today, but enormous challenges, and we're eager to share. But this is just part of what we're doing with our clients every day. It's incredibly rewarding. The passion of our team, I'm not sure that I've seen it ever in my career, and the level we're at in these last few years. David?

David Mitchell:

Yeah, really, it's timely to have this. It feels like in broad-based healthcare world, three things fundamentally have changed. We're kind of in this perfect storm. One, the business of healthcare delivery has fundamentally changed. The economics of how do we make money in many cases right now, providers really dealing with record slim profit margins going forward based on just the business of healthcare operations.

The demand of patients has fundamentally changed and, of course, especially in serving senior living, space and long-term care space, that's going to continue, the demand for care to be, to be getting much higher. But

finally what's really changed is the supply of the available workforce out there and the expectations of the workforce to the point that when you start looking at whether it be the American Association of Medical Colleges, looking at the Bureau of Labor Statistics, over the next decade, you're looking at a shortage of around 125,000 physicians in this country, looking at a shortage of probably about 500,000 registered nurses in this country, looking at a shortage of probably 9.7 million lower-wage workers in the healthcare space, those in our environmental services and food services parts of our operations and healthcare, nearly 10 million worker shortage.

And so in this time where the business is changing, it's harder than ever to make profits, where the demands of patients are ever escalating, and where the availability of work is ever declining, we're simply at a point where we need to think about work differently. And I think that, of course, having these new CMS regulations coming into play, that we're particularly, probably driving some of this discussion today, just farther raises the need to be tackling some of these issues now.

Tara Clayton:

Yeah, David, you're spot on about just this has been a topic of conversation and concern for healthcare providers for I think a number of years at this point. But we are absolutely at an apex of changes, disruption, John, whatever phrase we want to call it, that real change, and real new solutions need to start being looked at. And I know a lot of providers have been looking at it, so really excited to kind of get into a discussion about where you guys are seeing this work transformation happening and recommendations that you've been doing with clients.

That brings me to the first question. As employers are dealing with, David, you mentioned the recent CMS mandate related to staffing and skilled nursing facilities. We also are seeing states issuing mandates for different type of employees in our senior living and skilled nursing sectors. When you're working with employers who are trying to, to get their arms around solutions for these challenges, where do you typically recommend they first start? 'Cause I feel like this would be a pretty big thing to take on all at once. John, are there... What thoughts do you have about for providers looking to tackle this?

John Derse:

I'm certain that both David and I are going to want to weigh in on this one, but it's the question to start with, Tara, where the challenges are so significant and can get so complicated. Sometimes organizations, as we start working them, sometimes they've forgotten about the foundation, the foundation around which they maintain, they retain, they attract their workforce. So I don't mean to oversimplify this, but with too many of the organizations we work with today, some of the basics around pay, the competitiveness of pay, benefits, the ability to meet the emerging needs of the workforce and how they've changed need adjustment, just for a couple of examples.

I think that because the workforce shortages are here and are here to stay, because the ability to attract, is so much more challenging than it's ever been. Absolutely everything must work and work really well. Even if you're confident that your foundation is solid, understand one other thing. It's a sports analogy, sorry. The goal posts have moved, meaning that the needs of a workforce have changed. What people want today is different than they wanted three years ago. It's different than they're going to want three years from now. It's critical that organizations take a step back and understand, "How have the diverse needs of this workforce changed and am I meeting them, and how do I know?" It's absolutely critical.

But some of the other foundational elements I think that need to be understood beyond just the basic competitiveness and meeting of the needs is, "What about our delivery? What about the frequency of our pay? What about the frequency and delivery of our messaging and value proposition for working here and choosing to stay here? What about the choices that we make available? How many? How are they delivered? What are the opportunities individuals have? And is our communication around all of this clear and effective as it can be?"

These are still what I consider to be foundational elements. I think David's developed a really great phrase recently around minimum viable HR. I'm going to ask him to talk about that, but it's all tied together. We need to be able to get the foundation right and solid and then build upon that. And we'll share some of those ideas as well. But David, maybe your thoughts.

David Mitchell:

The way we really like to think of minimum viable HR, and anybody who has ever been in technology probably heard of minimum viable product. But minimum viable HR, the way to think about it, not to get too academic here, but we're probably all familiar with Maslow's hierarchy of needs. What are those most basic things that one needs? So you know your food and water, and then we can move up to, "How do I find satisfaction in life?" and finally up to actualization.

In HR, this really looks at what's the Maslow's hierarchy of needs of the workforce. Historically, that's focused on competitive compensation and competitive benefits. And certainly anybody in the skilled nursing or senior living space who hasn't at least in the last 12 months, and certainly not in the last 24 months, done an updated compensation benchmarking, the goalposts there have absolutely moved. So both the competitive compensation and competitive benefits benchmarking.

One thing that Mercer often finds when we do these large, we call them "Inside the Employee Mind" surveys, every year of tens of thousands of US workers and then specifically look at those workers in the healthcare space, their top of mind things, those things that keep them awake at night, have fundamentally changed from 2020, 2019, up to today coming in the latter half of 2023. And so, if you don't know what those are, and for many employees that is meeting my rent, my car payment, my food payments for this month, it's very short-term financial needs, are top of mind.

The third thing that's crept up, though, that's significantly changed for minimum viable HR, in addition to compensation and benefits, is flexibility. And this can be tough because most of these roles that we're talking about in skilled nursing and senior living are shift work roles, 8, 12-hour shifts, working mornings, afternoons, evenings, on the weekends. We know folks have to be on-site delivering care in the way that they do.

But what we see in the data is this is the part of the US population that wants more flexibility almost more than any other part of the population. And this is also the part of the US workforce that is most likely to, to turn over, to leave their jobs if they don't see more flexibility. And so to the extent that our operators and providers and communities are able to provide options around shifts trading and shift swapping. So I can go to my child's school performance tonight or parent-teacher

conference, providing opportunities around looking at different and more flexible shift start and end times, giving staff more say in, "Are we working eights or twelves, and are they four fours or two three twos?"

But much more say in the flexibility within the reasonable confines of work, that has moved up from something that's higher on that minimum viable pyramid, to one that is at the most basic level along with competitive compensation, competitive benefits, and maximum allowable flexibility with what's operationally possible. And that gets us to minimum viable HR.

Tara Clayton:

Hearing this term "minimal viable HR" and understanding from your mindset, what does that mean in an employer's head? I appreciate the, the notion that the unmet needs of employees have significantly changed, especially thinking our industry going through a pandemic and the level of burnout that we're seeing a lot of employees in this space dealing with. When you're looking at minimal viable impact, how does that also relate to designing for needs related to job advancement or other opportunities, career development internally? What are you guys seeing from that space?

David Mitchell:

So, we like to think of it in terms of the multi-generation, increasingly diverse workforce. Historically, and I mean, this is for efficiency and cost reasons, the typical approach is, "I have a near one-size-fits-all benefits package. Here's your health benefits, here's your 403(b) or 401(k) retirement program, and everybody can choose to participate or not." But when we start thinking about the workforce, how does it exist today? Those who are just coming in, perhaps with very high student loan debts that they're having to worry about.

Those who are coming up on middle age, and perhaps they both have kids, thinking about university education, and they have aging parents themselves who need elder care support. And those maybe toward the end of their career, needs to be accelerating on retirement planning. Organizations that are understanding, "Who is comprising our workforce right now and who is kind of our available pool of talent, what are their needs, and how can we build in much more flexibility and choice into how we meet the needs of this multi-generation, increasing diverse workforce?"

That's really one of the key areas that... what we see some of the leading operators and communities looking at doing right now. And really, I think it's going to become not just one that the leading communities do in the future, it's essentially a place that everybody's going to need to get to and pretty quickly.

John Derse:

You know, David, you triggered a thought. I think one of the other things that's really important to understand is, in addition to how people feel about their ability to advance, I think there's another notion that we're seeing on the rise, and it's very much how individuals feel about their... just their personal safety in their space around the work and what the organization is doing to keep them safe.

And this is, you know, not just from a standpoint of, say, workers' compensation, but it is, it is understanding the environment and the challenges with, with some of the patients and the residents and their families, and issues there. And then not just taking the steps, but then taking the time to communicate these steps and demonstrate what the organization is doing on their behalf.

So in addition to career advancement, but also what are we doing just as you live your life day to day, come to work and do your work day to day? I think, again, all of these things are considered. Well now we're beginning to move, I think, from some of the foundational stuff into some of the more advanced strategies.

David Mitchell:

One thing I think a lot of operators and providers can really focus on is starting to make this personal. We talk about it as personas. Maybe personas is kind of a consultancy word there. But the idea is really being able to visualize different components of your workforce, because we have them. You know, there will be a whole group, that's really kind of just your work to live folks. They want a competitive paycheck. They want a safe place to work with a flexible schedule, and they want to go home afterwards and not think about work anymore. And that is a hundred percent fine. And we need to be able to provide the jobs to them.

There will be the others that come in as maybe a nursing assistant, they'd like to have an RN career or move up into a community supervisor role. And they want to see multiple career paths, not just an elevator specifically in the one area, but what are some couple

of ways into supervision, into management, maybe from food services into a caregiving kind of role. And so having different and varied pathways for folks like that is important.

And there will be a range of different personas, and, of course, this will change from community to community and then from facility to facility. But really know who is our workforce, what are their personas and then building those really curated pathways for each of them and respecting each group, where they come from, really is a great place for many operators to start, if they're not already there.

Tara Clayton:

This all makes sense to me. You're going to have different populations of employees in different unmet needs based on those different populations. How does a provider figure that out?

David Mitchell:

So first is almost just unrelenting listening to the workforce. Many organizations, maybe historically every two, three years, they've done what they call like an "Employee Engagement Survey." But many organizations are at least doing that annually, a mass survey of, "What attracts you to the organization, what keeps you at the organization?" But they're getting now even more frequent doing pulse surveys, so maybe quarterly, looking at different issues around, "What's... what are your stay awake at night issues? What motivates you about your work here?"

But almost getting into a continuous dialogue with your employees. We talk about this whole sector — healthcare at a macro level in the US is going to be looking at an endemic labor shortage for at least the next decade. And so given kind of that new normal of work, having the mechanism to be having that near real-time ongoing dialogue with staff around, "What do you need, what motivates you, and how are we doing in delivering that?" That really needs to be a place that strong HR organizations have moved to and have found a way to accommodate and enable.

Tara Clayton:

John, you mentioned we've kind of moved out of the foundational efforts, you know, making sure you've got your base covered. Getting into some of the advanced techniques, I think I've heard you guys talk about,

"bending the curve." So, I'd like to talk a little bit, and really where, where I want to jump off at, David, you mentioned earlier that healthcare providers, we have, "an available pool" right now of traditional employees that healthcare providers would pull from. So getting into maybe some more of these advanced strategies and solutions to look at the workforce transformation, where does your head go in looking at bending the curve from that standpoint?

David Mitchell:

Yeah, so when we say bending the curve, we're looking at two curves. First is the supply of labor. So how can we increase the number of folks coming into roles? I'll say nursing is extremely hard just from a nursing school perspective right now. I think of any of us who hire nurses know that, there's a, one, a severe shortage of instructors, professors in nursing school which makes nursing, just getting into nursing school one of the harder degree pathways right now.

And so as long as we're reliant on that, the latest data I've seen is that for every one nurse graduating with an RN degree right now, he or she is going to have 10 job opportunities available to them. So we have to find a way to bend up the supply of labor. And then the other curve to bend down is that, the, the demand for labor. How can we, through increased capacity, increased productivity, increased utilization, allow ourselves to continue to grow our communities, serve more patients, but without having to linearly, at a one-to-one ratio, increase staffing as we do that.

So let's maybe start with the supply piece first. And then what's really happening there, what innovative organizations are doing, is looking at really growing their own labor. In the acute space, that's things like grow my own CMA, Certified Medical Assistants. It could be growing my own nursing assistants. It could even be going into, say partnering with local schools to grow my own RNs. But it's looking into the parts of my workforce, environmental services, food services, some of the uncertified parts of my workforce, looking for those folks who have that motivation, that desire to move into a caregiving role.

And then typically, through two to three years of maybe working 60, 70% in my old role, and training 30 to 40% for my new role in a fully paid position, I am growing my own now into certified roles, caregiving roles, growing my own workforce. That's one step that many

organizations right now are taking to bend up that supply curve to have more of a supply of talent, as they need to fill open roles going forward.

Tara Clayton:

I want to stay on that curve for a second, David, before we go to the bending down the curve for the demand piece of it. When looking at ways to increase supply, one thing I always think about that to me is so special, especially with senior living and long-term care providers, is the population and the mission that this industry has of really protecting and taking care of and, and providing care and quality services for residents is such a huge mission.

And I know the, the driving purpose for those who come into the industry, and historically, that's been... it's a mission purpose-driven role for many caregivers that come into the industry. David, I've heard you say the phrase, "employee value proposition" before. That's what I think of and is for a very mission based industry. How are you seeing employee value propositions playing out in this current work environment? And are there changes that providers need to look at and as they're trying to recruit and enhance?

David Mitchell:

A few thoughts there on the EVP. So first, it's interesting, both in the senior living space and on the other end of life in the children's health space, working with children's hospitals, there's often a saying that, "I have a second paycheck." In children's hospitals, of course, it's taking care of desperately sick children. In senior living and skilled nursing, it's caring for those folks really in the second half of life and having that really special relationship with our community members and patients.

That idea of a second paycheck that's purely for missional value is frankly declining. One reason it's declining is just so often the front of mind issue for our caregivers has become just meeting my daily living costs. In our latest surveys, something like 50% of those in nursing roles and nursing assistant roles say that, "If I had a \$600 unexpected expense come up this month, a broken car, a burst pipe in the house, I don't have a way to pay for that." And so if that is my main concern, "How do I afford food for my kids this month? How do I afford the rent that's due in three weeks?"

The whole idea, special as it is, is to taking care of

patients, at both ends of life really starts to decline in value. And so that's why organizations are really having to rethink this EVP, this employer value proposition to understand, "What are the true pressures that our workforces are feeling around burnout?" That's a massive issue. Around personal health and safety, that's a critical issue, and around just financial sustainability and viability of, "Does my paycheck meet my basic needs?"

And if the organization gets there, then of course we can lean back into, "And why do I come to this work?" And it continues to be extremely special, high-impact work. But it's not the only thing anymore. People have a lot of other options where they can go, and where they are going right now, that doesn't carry all the pressures that often these caregiving jobs have.

John Derse:

Some of what David's talking about is really hard for leadership to embrace, to digest. And I think that whether it's revisiting the foundational elements, it's looking at new and different ways to bend the curve, it's understanding that some of our... what historically we thought was our value proposition may be eroding. It's critical that some time be set aside for leadership together to look at this problem, to work through what might be innovative approaches to solutions.

What we do a lot of is, are these design thinking workshops, where we bring the diverse group of leaders together and help them understand, help them with a little education, and then help them ideate around, "What are the possibilities? Where can we go? How can we absorb some of these new challenges and try some of these new things?" It's very hard for leadership to appreciate sometimes all of the different places these challenges are coming from and what the solutions entail.

So I think these are exciting. They're really important that they be thought through and visited. But the appreciation and the ability to work an executive leadership team through this cannot be understated. It's going to take some time and it should require a little bit of effort.

Tara Clayton:

That's important to hear, John, that it's not necessarily one-size-fits-all approach either. This idea of getting the leadership team together and talking through your

specific offerings, workforce setting, all of that's going to play in and potentially have some different solutions that are unique to that individual provider.

That then brings me to some of the other more, what I'd say, advanced strategies. This may go to the second curve, and we're bending down that curve around demand for labor. When you all are looking at how to bend that curve or how providers can bend that curve down, what creative solutions or ideas are you seeing at play or are you looking into for this space?

David Mitchell:

Yeah, let's just spend some minutes on this issue of, "How do we bend down the curve... the demand curve for labor going forward?" First, I think many healthcare providers, including those in skilled nursing and senior living, have frankly lived with their heads buried in the sand, hoping that this high labor-to-wage ratio over the last couple of years will start to moderate.

It doesn't take a PhD economist to really predict that in an era where we are not tens of thousands, but hundreds of thousands, of caregiver rolls short of what's going to be available in supply, along with, as Americans, we're simply getting older, higher demand for labor. Costs are going to continue to rise, really indefinitely, and at a continued accelerated rate. So that is the new normal. So if that's the case, the question then becomes, for the caregivers we have right now, "How can we increase their capacity, how can we increase their utilization, and how can we do so in a way that really leans into the, the resilience and sustainability?" Obviously not just putting more pressure on them and leading to this burnout problem even more.

So a few things are happening there. One at Mercer, we talk about it in terms of work redesign. And let's maybe just take a registered nursing role as an example. Once one really starts looking in that 2080 hour work year, the 168-hour work month, and what is a registered nurse doing in his or her role, and really breaking it down into, "I'm 5% here, 10% there." In most any time we do this survey, 40, 45% of their time tends to be focused on transactional type of work. That could be being in patient record-keeping systems, it could be in documentation, it could be in things like shifting and moving and transporting patients.

But if I think about a registered nurse who's working

toward a top of license or, say, a nursing assistant to a top of a certification, we're far, far from being there. And so having that, I guess, knowledge of exactly how are they spending their time and starting to think of what we talk at Mercer about being return on improved performance.

If I look at every single task that one does, there's typically four things that can happen. I can either get more standardized in the work, that means I'm more efficient at it. I can reduce the error rate from the work, that means I'm not going to have to do things again, or having slips and trips and workers' comp claims happening there. I can look at incremental productivity improvements, or I can look at transformational productivity improvements. And really, senior living and skilled nursing operators need to be looking at all four.

So take a registered nurse, a CNA, any role. Everything we do, how am I optimizing every single task for reducing errors, more standardization, incremental and then, exponential productivity improvements, and then just actioning those one by one in a prioritized fashion. We can talk more in a minute. The last thing I'll say there is really technology, AI, social robotics, all of these things are starting to provide some opportunities that really weren't even available to us, say, 12 months ago.

So really, technology has enabled this to happen in a much quicker way than it could have in the past. And if any of our, say, assisted living, senior care, skilled nursing operators right now do not have an AI strategy in place, they've missed the ball. And so that's one question left to ask more of the HR leaders I talk with is, "What is your AI strategy?" And often, many of them kind of have a deer in the headlights look at about them. But that's an area where many folks need to be focused on right now.

Tara Clayton:

When you say AI strategy, what type of AI strategies should providers be setting up? Explain that a little bit more to me.

David Mitchell:

So AI is going to do three things for us. And the way to really think about all of our jobs is there's three components. There's a transactional part to my job. All of us have it. It could be everything from a... for professionals, filling out our expense reports, our time

cards. So there's the transactional piece. There's the relational piece. That's the talking and working with my colleagues and with my patients. And finally, there's the expertise piece. That's what I've been trained to do in delivering that care.

What AI is going to do is a few things. First, for the transactional part of my job, that's simply going to be automated and replaced. That's that 30, 40% of my day that just going to go away. And for many of us, thankfully so. This isn't a threat. It's get that stuff that we don't like doing that takes away our time from doing the much more important relational and skilled part of our jobs. And then AI comes in. So if I'm a caregiver now, looking at a patient with a particular condition, the iPad, the AI tools coming alongside of me saying, "Based on what the symptoms this patient is exhibiting today, here are the next three things you should really be trying."

I don't need to necessarily go to other colleagues or go back and consult any texts, or it's just right there for me. And so AI as an augmentation tool to both the relational works, and maybe some of the screening that we do each day with our patients, as well as the skilled work, the care that we're actually delivering, it's there, augmenting need. And so it's both the automation as well as the augmentation to that skilled, to that relational, and to that transactional work that we need to be thinking about.

Tara Clayton:

AI is the big area that we're seeing a lot of growth. We see it on the resident side as well, especially like, when I think of AI, I think about a lot of different falls technology that we see coming out. So it's very interesting to hear about AI and how the important role is playing on the worker side, the HR employer side. Is there any other high-level, advanced strategies and solutions that you are looking at with clients and providers in the industry that we haven't covered yet?

David Mitchell:

The one other really is around alternative staffing. So often, and I've been a HR leader in the healthcare space before so guilty of this myself, I think in terms of FTEs and PTEs, full-time jobs and part-time jobs. And I think in terms of people sitting in different cost centers, it's a kind of an easier way to manage people, a very clear way to manage people. But going forward in a workforce where we're endemically short of workers and dealing with these higher costs, we need to be

asking, "What about job shares? Can one role, say a single RN job, be filled by two different people, maybe one working .6 and the other .4?"

Can we start looking at alternative ways of, say, our recent retirees coming back into the workforce, not in a 40-hour week type of role, maybe taking overtime, but in a way that they're either mentoring younger staff or filling gaps in the schedule, filling four-hour busy periods each day, say, maybe in the morning and afternoon rounding times when things are especially busy? Are there working parents that we can bring into the workforce on less than full-time bases?

So really starting to think about what are all the different ways between less than full time, gig, contractor, job sharing, and roles for people at all stages of life, bring them into the workforce. That's another way we're just going to be bending up that supply curve of talent. And for many of us, it just isn't a choice not to do those kinds of things anymore.

John Derse:

Just to build on that just a little bit, Tara, it's just that this is actually happening now. I mean, I listen to David's comments, and I look at my calendar. Even an hour from now, a similar executive leadership dialogue around things that we have been thinking were out in the future, but they're happening now around the changing of work and the changing of staffing and incorporation of really, really new models that healthcare is needing to bring forward, mostly because it has to, but beginning to figure out, "How can we make this work? How can we make this not only viable, but can we really be successful and have people thrive in this kind of environment?" So, I guess I look at the business that Mercer does in healthcare overall, and the pace around these new bend the curve type strategies is accelerating. It's real. It's here. It's happening now.

Tara Clayton:

John, I think you're absolutely right. We're seeing an acceleration when it comes to how this work transformation — and I know just seeing it as much as we're involved in the senior living industry, seeing it from that perspective. So, I think, to me, hearing all, you know, variety of tools and solutions and meetings and leadership get together that you put on, where does a provider start in getting their arms around next steps of work transformation?

John Derse:

The best place to start is in trying to understand as best as possible and get alignment around that in terms of, "Where do we need to go as an organization? What is it that we need to be? How is it that being that will give us the kind of workforce reactions and stability that we so desperately need?" And I think once that's established and clarified, then it's building the roadmap to get there.

There are a series of choices. There are a series of stops along the way. There is no shortage of the need for investment as organizations move to build these programs and establish these capabilities. But it is absolutely critical that there be a planful approach around where do we need to be, how we're going to get there, and not to go short or go quickly through the evidence-based approach, meaning, "What's the data, how can we look at prioritization?", not just through what we want, but also through what the data tells us is most critical, either from our workforce needs, or how we locate labor pools, or how we attract the work that we need from the workforce that we have.

David, what would you add to that in terms of getting started? Because I know you and I both experienced this where sometimes that first step is the hardest one in terms of where do we start, what's job one?

David Mitchell:

It is. When it comes to change, the questions I always hear is, "Why change? Why change now? and "Why do I have to change?" Nobody likes change, and unfortunately, we're just at the place in the sector right now where it's unavoidable.

And so building that business case of, "Why change? Why change now? and "Why do I have to change?" does just start with that compelling business case. And so it is the latest compensation and benefits benchmarks. It is the sensing from employees around, "What are their — today in 2023, going into 2024 — their unmet needs? What's going to both attract people into my organization? What is keeping them sticky within my organization, and what's driving them away from our organization?"

If you hear anything from today, hear that those... the answer to those three questions has fundamentally changed. And if you've not asked those in the last 12 months, I think most folks listening will be surprised at the answers. And so it's start with the data that drives

that roadmap. And then from there, it really is just a prioritized set of actions that we can be taking to build, one, profitable operations going forward, but second, sustainable ones.

Ones where people can build their long-term careers, not have high turnover, and see a potential for themselves to spend a lifetime in this industry because we need them spending a long lifetime in this industry. But it all just starts out with the data that informs that prioritized roadmap.

Tara Clayton:

Thanks, David. I think that was perfectly well said. This has been, to me, a very educational discussion. Obviously, everyone's talking about the workforce and how do we get our arms around it. So really helpful to hear the insights that you all are seeing directly and working with clients in this space, hopeful for what's on the horizon and the work transformation work that you're doing. So, John, thank you so much for joining.

John Derse:

Thank you. Enjoyed it.

Tara Clayton:

And David, thanks for joining too.

David Mitchell:

Thank you. We love talking about change and transformation, and it is certainly a timely conversation.

Tara Clayton:

For our listeners, you can learn more about Mercer and the tools, solutions and strategies that we discussed today, as well as others around workforce at the Mercer website that's linked in the show notes. And be sure to subscribe so you don't miss any future episodes. You can find us on your favorite podcast platforms, including Apple and Spotify. As always, I would love to hear from you. If you have any topics you'd like addressed on the podcast, you can email us your ideas at the email address provided in the show notes. Thank you all so much for tuning in, and I hope you'll join us for our next *Risk Insight*.