

Leveraging the Gig Economy: *A Novel Solution to Improve Health Care Costs*

Angela S. Prestia, PhD, RN, NE-BC

Gig workers can be used in nontraditional nursing areas that now come under the purview of the nurse executive. The gig worker is a creative and virtually untapped source of talent that can provide quality solutions within health care organizations, by providing expertise for niche assignments, positively impacting staff morale, and therefore impacting cost-effectiveness.

Health care expenditures are estimated to reach \$5.5 trillion dollars by 2025.¹ The American public is financially challenged to meet insurance deductibles and copayments when accessing medical care. Wisely, the Institute for Health Care Improvement has targeted reducing per capita costs as part of their Triple Aim framework.² This framework encourages the simultaneous pursuit of quality, safety, and patient experience improvements to benefit society. It is expected that the impact of utilizing this framework will result in decreased health care spending and related costs.

The nurse executive is continually challenged to be a fiscal steward ensuring cost containment organization wide. Both human and material resource management, as well as process improvements, are targeted for potential savings. Material resource management may include supply costs, formulary substitutions, and contract management. As a result of the paradigm shift to value-based care, process redesign has provided the highest dollar cost-savings.³ Examples of process improvements may include innovations in quality and

safety related to core measure compliance, infection prevention, and standard work to reduce wound and fall prevalence. Additionally, targeted efforts around consolidating departments and centralizing business functions have resulted in savings.³

When one considers that approximately 75% of the workforce directly reports up to the nurse executive, human resource initiatives may provide a significant impact on financial savings.⁴ A robust and responsive human resource department may be the nurse executive's best partner in managing these costs. A sense of urgency to recruit and fill vacancies can save thousands of dollars. The average cost of replacing one RN is estimated at \$49,500.⁵ Estimated annual costs to facilities are estimated between \$4.4 million to \$7 million per nurse.⁵ Advertising, staff time related to interviewing, interim salary dollars, associated hiring fees including sign-on bonuses, and orientation costs all factor in. Tangibly described and often referred to as "soft costs," morale and loss of productivity when leadership positions lay vacant can also negatively impact the bottom line. Nurse executives carefully review turnover rates, labelling personnel losses as unavoidable or avoidable. Unavoidable reasons may be due to termination for cause, relocation, illness, or pursuing higher education. Avoidable explanations may include employee dissatisfaction with the actual work, wages, environment, or personnel policies.⁶

NURSE EXECUTIVE IMPACT

The nurse executive's role and scope of responsibility has grown exponentially. They are no longer focused primarily on nursing services. Traditional siloes of responsibility for patient care units have disintegrated and now include the entire gambit of hospital operations.⁷ There is a need to develop the leadership skills required to work with multidisciplinary, multicultural, and multi-generational teams. Successful assimilation of these skills

KEY POINTS

- **Gig workers may provide an interesting solution for financial stewardship for nontraditional nursing areas that are now the responsibility of the nurse executive.**
- **The Gig worker can provide subject matter expertise for specific projects without the added expense of full time employment costs.**
- **A Gig worker's expertise can help the efficiencies and effectiveness of the organization.**

are required to drive innovative changes.⁸ The development of nurse executive talents in the areas of process improvement include establishing goals, developing specific interventions, analyzing metrics at identified intervals, and being flexible to change course of action when necessary. Specific industry knowledge from the arenas of retail, insurance, marketing, and customer service are invaluable.⁹ The speed with which this evolution is occurring is remarkable. The progression of responsibility may now be as broad and diverse as to include geographic information technology, facility master design planning, fundraising, and a myriad of multiple regulatory requirements. Nurse executives and the directors they employ cannot possibly be experts in this wide variety of non-traditional nursing specialties. Even if they were, daily time constraints would prohibit special project completion, which limits success. The nurse executive can easily feel dejected when unable to complete an organizational priority focus. So how are they to meet the imperative of organization-wide fiscal stewardship?

It is in this spirit that unconventional ideas are to be explored to provide possible quality solutions that assist in cost containment. Gig workers may provide an interesting solution for those nontraditional nursing areas that now come under the purview of the nurse executive.

THE GIG ECONOMY

In the late 1960s and early 1970s, when someone said they had a “gig,” they meant they were performing music or comedy live.¹⁰ It was usually a single performance meant to supplement one’s income. Currently, when *gig* precedes *economy*, it is describing the use of temporary workers independent of any parent company.¹¹ This nuance makes them different from a consultant. Gig workers are described in several ways. They have been referred to as freelance careerists, self-employed specialists, or members of the mobile workforce.¹²⁻¹⁴ It is reported that there are over 150 million gig workers in North America and Western Europe.¹² There is documented growth in this segment of the workforce.¹⁴ In 1995, only 7% of the workforce was considered freelance or part-time. Those rose to 35% in 2017. The growth is now estimated to be 43% in 2020.

Although members of the millennial generation constitute the majority of freelance personnel, gig workers can be from any generation.¹⁴ Members of the gig economy can be over 55 years of age, facing limited career opportunities. They can also be coprofessional parents needing to split the time between child-raising and work responsibilities. Perhaps they are victims of company down-sizing, which can affect any age group. Others may be students needing to improve their resumes. Perhaps they just desire to avoid the confines of the full-time, 2080-hour work year. Time off or vacations can be planned around family preferences versus the parameters specified in organizational policies.

WHY GIG WORKERS? WHY NOW?

There are several motivating factors that the nurse executive should know and use to leverage the case for utilizing gig workers. In a recent study of 65 gig workers, the importance of their personal productivity was paramount.¹² Poor performance jeopardizes their reputation. The connection to self-worth, and the more practical point of references for future assignments, is crucial to their survival. These workers want to do a good job. Additionally, the gig worker carefully selects the jobs they want to apply for. They tend to choose assignments that they are passionate about and that truly interest them. Many work on multiple assignments simultaneously.

HOW GIG WORKERS CONTRIBUTE TO COST CONTAINMENT

The savvy nurse executive will see the benefits of having gig employees work within the organization. Both groups need to contribute meaningfully to achieve self-sustainment. Savings can be realized through the reduction of personnel costs. There will still be expenses related to proper vetting, that is, background and reference checking; however, gig workers’ wages can be negotiated, and hours can be limited. This reduction in overhead may be appealing to an organization struggling to meet their budget and their strategic goals. More importantly, a gig worker’s expertise can help the efficiencies and effectiveness of the organization.

Gig expertise can be focused strategically on priority areas, specifically value-based process redesign. They may be experts in Lean Six Sigma and provide teams with data support. Gig workers can offer expertise in improving customer service, revenue cycle, productivity, project management, a specific software application, marketing, or grant writing. During their tenure with the organization, they might act as mentors to less experienced staff, or even provide temporary leadership to a fledgling service line. These talents may not lie within the organization, or perhaps may be too costly to maintain on a full-time basis. Assignment-focused gig workers can be extremely valuable.

Gig workers are not being suggested for clinical positions. They are not to be considered to supplement staffing. Some assignments to consider gig workers for include grant or application coordination and writing, such as Magnet® or The Joint Commission specialty designations. Other assignments may be human resource related, such as coaching underperforming managers or furthering leadership development. Perhaps they can be used to evaluate workflow or productivity utilizing Lean Six Sigma processes. Internal or external patient transportation services may be created in the image of Uber or Lyft models and help improve patient satisfaction.

AN OPPORTUNITY TO SEE TALENT

Adaptability is a key competency in this current health care milieu, where chaos and confusion breed constant

Table 1. Pros and Cons of Utilizing Gig Workers

<i>Pros</i>	Understand their productivity is paramount to self-sustainment
	Apply for positions that suit their talents and are truly interesting to them
	Niche specialty experience
	Personnel cost overhead is reduced
	Focus on priority project(s)
	Organizational talent pool is not burdened
	Opportunity to evaluate for hire
<i>Cons</i>	Dilute current culture
	No loyalty to organization
	Orientation commitment of the nurse executive
	Data tracking for ROI

ROI, return-on-investment.

challenge. The ability to observe in real time a gig worker's adaptive nature is an opportunity most nurse executives do not get prior to offering full-time employment. Engaging with gig workers affords the nurse executive time to evaluate skill set performance.

CULTURAL AWARENESS CONCERNS

There may be some hesitancy and fear of diluting the current culture with a myriad of experts that have no true alliance to the organization. This risk may be assuaged with proper enculturation. The nurse executive will be instrumental in defining the scope of the project and the role of the gig worker to everyone involved. In an article discussing the use of consultants during times of mergers, the authors reinforce the importance of leadership's role in establishing standards of conduct.¹⁵ The expectations of mutual respect, honesty, and confidentiality for all team members were initially addressed prior to the start of any work. History and politics are transparently discussed for the success of all involved.

This orientation of gig workers may seem time consuming, especially if there are several of them. As with any project, return-on-investment must be calculated. Carefully estimate scope and length of the project, and hours needed to achieve the necessary outcome.¹⁶ Profitability and cost reduction are best achieved when the project requires specialized talents, and a quick turnaround (*Table 1*).

THOUGHTS FOR FURTHER CONSIDERATION

Unable to find any literature related to first-hand experiences, or organizational success stories through engaging gig workers, this author wanted to conclude with some thoughts for further consideration. A national study was conducted over an 8-year period (2006 to 2014) of approximately 3600 participants in an attempt to identify job satisfaction related to flexibility.¹⁷ The

sample included full-time, independent contractors and self-employed workers. Results support higher job satisfaction in the group that had autonomy over selecting type of work and flexible scheduling. The correlation between valued employees and sustained quality and safety are supported in the literature.¹⁸ Nurse executives are learning that creating optimal work environments inclusive of generational workforce differences is imperative to achieving the goals of the Quadruple Aim.^{8,19,20} Focusing human resources on the work they are educated and competent to perform and eliminating stretch assignments can improve quality, safety, and staff morale.²⁰ Imagine if nurses could consistently prioritize compassionate patient care in their daily practice. Diverse and satisfied workers can positively impact the overall employee experience and assist in shifting the culture of the organization.

In a 2014 article, Porter-O'Grady implored nurse executives to "radically" change health care for service and fiscal sustainability.^{21(p.114)} Nurse executives leveraging the gig economy worker are frontrunners in developing new business models that are relevant. The willingness to experiment with a nontraditional solution may be just the catalyst necessary to create synergies among cost, quality, and patient and staff satisfaction.

References

1. Hoffman DO, Mancini M. Emergency health care professionals' understanding of the costs of care in the emergency department. *J Am Osteopath Assoc.* 2017;117:359-364.
2. Berwick DM, Nolan TW, Whittington J. The triple aim: care, health, and cost. *Health Aff (Millwood).* 2008;27(3):759-769.
3. Bees J. Intelligence report: cost & revenue strategies. *HealthLeaders.* June 2017:47-50.
4. Sredl D, Peng NH. CEO-CNE relationships: building an evidence-base of chief nursing executive replacement costs. *Int J Med Sci.* 2010;7(3):160-168.

5. NSI Nursing Solutions Inc. 2019 National Health Care Retention & RN Staffing Report. Available at: <http://www.nsinursingsolutions.com/Files/assets/library/retention-institute/2019%20National%20Health%20Care%20Retention%20Report.pdf>. Accessed June 11, 2019.
6. Labour turnover: Avoidable & unavoidable causes. 2018. *Money Matters*. Available at: <https://accountlearning.com/avoidable-unavoidable-causes-labour-turnover>. Accessed September 20, 2018.
7. Tagnesi K, Dumont C, Rawlinson C, Byrd H. The CNO: challenges and opportunities on the journey to excellence. *Nurs Adm Q*. 2009;33(2):159-167.
8. Holmes AM, Chamberlain B. Transforming care at the bedside: the CNO's role. *Nurs Manage*. 2010;41(16):45-47.
9. Prestia AS. Chief nursing officer sustainment: a phenomenological inquiry. *J Nurs Adm*. 2015;45(11):575-581.
10. Gig. Cambridge Dictionary. Available at: <https://dictionary.cambridge.org/dictionary/english/gig>. Accessed September 14, 2018.
11. Gig Economy. Cambridge Dictionary. Available at: <https://dictionary.cambridge.org/dictionary/english/gig-economy>. Accessed September 14, 2018.
12. Petriglieri G, Ashford SJ, Wrzesniewski A. Thriving in the gig economy. 2018. *Harvard Bus Rev*. Available at: <https://hbr.org/2018/03/thriving-in-the-gig-economy>. Accessed September 11, 2018.
13. Hardy BP. How to quickly blow past the top 1-3% of your industry. Available at: <https://medium.com/thrive-global/how-to-quickly-blow-past-the-top-of-your-industry-36d979ae57>. Accessed September 11, 2018.
14. Rev Blog. Is a side hustle for you? How to make money in today's gig economy. June 29, 2018. Available at: <https://www.rev.com/blog/side-hustle-make-money-todays-gig-economy/>. Accessed September 11, 2018.
15. Kamrad-Marrone SL, Stabile MA, Smeltzer CH. Understanding and championing the merger process: key leadership roles for successful outcomes. *Nurs Adm Q*. 1999;23(4):47-57.
16. Harbor S. Gauging the financial impact of the gig economy on your organization. June 14, 2018. Spark. Available at: <https://www.adp.com/spark/articles/2018/06/gauging-the-financial-impact-of-the-gig-economy-on-your-organization>. Accessed September 20, 2018.
17. The Conversation. Why are more people doing gig work? They like it. 2018. Available at: <http://theconversation.com/why-are-more-people-doing-gig-work-they-like-it-93037>. Accessed September 21, 2018.
18. Bodenheimer T, Sinsky C. From triple to quadruple aim: care of the patient requires care of the provider. *Ann Fam Med*. 2014;12(6):573-576.
19. Batcheller J, Zimmerman D, Pappas S, Adams J. Nursing leadership role in addressing the quadruple aim. *Nurse Leader* 2017;15(3):203-206.
20. Sikka R, Morath JM, Leape L. The quadruple aim: care, health, cost and meaning in work. *BMJ Qual Saf*. 2015;24(10):608-610.
21. Porter-O'Grady T. Getting past widgets and digits: the fundamental transformation of the foundations of nursing practice. *Nurs Adm Q*. 2014;8(2):113-119.

1541-4612/2019/ \$ See front matter
 Copyright 2019 by Elsevier Inc.
 All rights reserved.
<http://dx.doi.org/10.1016/j.mnl.2018.11.003>

Angela S. Prestia, PhD, RN, NE-BC, is the Director of Patient Care at Trustbridge Hospice and Palliative Care Organization in West Palm Beach, Florida. She can be reached at aprestia@trustbridge.com.