

EXECUTIVE BRIEFING 1

American Society for
Healthcare Human Resources
Administration

Tomorrow's Health Care Workplace

As health care leaders prepare for, plan and adapt to health care transformation, one of the greatest challenges their organizations are confronting is the uncertainty that accompanies great change and the challenge of predicting what lies ahead for the health care workforce.

To respond to this challenge, a panel of eight health care executives was asked to look into the years ahead and forecast the potential changes developing in the workplace as a result of the increased focus on performance improvement, shifting workforce demographics, projected labor shortages, delayed or premature retirements, technology advances, and hospital and health system consolidations.

TRANSFORMATION AND PERFORMANCE

Health care transformation is about performance. It's rooted in developing and delivering high-quality care in ways that will cost-effectively support the best outcomes.

Performance improvement is not optional. Hospitals and systems must be able to achieve high-performance standards and quality outcomes to earn the reimbursements needed to sustain and advance their organizations. The performance of an organization is largely dependent on the performance of its workforce.

Average performance will not get hospitals and health systems where they need to be and is no longer acceptable. Employee performance will receive closer scrutiny, with an eye to moving lower-performing employees out of the organization. The high performers will enable hospitals to achieve the performance standards for which they will be reimbursed.

Striving for efficiency, effectiveness and delivery of high-quality care at a controlled cost — in other words, delivering value — organizations will seek employees who are open-minded, flexible and willing to work outside of tight job descriptions, and who are ready collaborators to meet the needs of patients. Hospitals and systems will seek people who are attentive to patient care, patient outcomes and best practices. Licensed staff should expect to work at the top of their license. Many organizations are working ahead of reimbursement changes and are focusing human resources and staffing changes on results-based care. As examples, some are investing in new types of team models and embedding care managers into primary care medical homes with physicians.

Compensation will change. Like other aspects of transformation, compensation will be linked to performance. Many organizations are moving away from productivity-based incentives, which have been

based on relative value unit measures and achieving budget and other financial targets. Paying for better clinical outcomes and incentivizing a focus on patient needs, which might require different service levels than reimbursed for today, will be a means for changing performance behaviors. Coupled with transitioning compensation to performance-based pay is the means by which performance is evaluated.

This will not be easy. Organizations will struggle to afford future incentives in the face of Medicare and Medicaid reimbursement cuts, and the workforce shortage will put additional pressure on wage increases and create competition for limited dollars that otherwise might be used for incentives. Increases in compensation may be realized through promotion or advancements within a health system vs. simple wage increases.

Transparency is a critical component to success. Employees, regardless of their discipline, will work together and get through tough times if organizations are transparent and

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communicate what they're going through as a business. Staff members must have a good understanding of why the organization is moving from one structure to another and what the long-term benefit will be for them, as well as the implications if the organization did not take the actions it had planned. Including and investing employees in the process of change, or "building in" their support, was identified as more effective than soliciting employee buy-in once the course of action has been determined.

Performance is a result of skilled leadership. Establishing a singular purpose and ensuring that everyone is pulling together in the same direction is critical to organizational success. Achieving this is the result of skilled leadership. Talent management no longer can be episodic performance management. Instead, it must develop people to a higher level of performance, starting first with finding the right personalities and then training them to develop the skills they will need.

Leaders noted that succession planning must be more than promoting individuals who are technically good. High-potential employees must be identified and given the tools and opportunities to develop the soft skills needed to be good leaders. Organizations must take steps to ensure that individuals are ready to step up as leaders in coming years. But just as organizations will look differently in five years, succession plans cannot be based on the assumption that future leaders will mirror the image of a leader today.

WORKFORCE SHORTAGES

Experts have predicted a shortage of nurses, pharmacists, primary care physicians and allied health professionals for years. The recession alleviated workforce challenges in part because demand for services has been down in some areas. Cuts to government reimbursement programs have contributed to layoffs by some organizations. Still others pre-

dict that technology will change the demand for certain workforce expertise, with emphasis in new areas of skills and ability.

Education is locked in a different paradigm. Educational institutions' lack of agility, lack of funding for new programs and inability to be responsive are critical concerns for health care organizations now, and will be into the future. Curricula being taught are not adequately preparing students for the future health care environment. As a result, hospitals and systems increasingly will be forced to provide post-education orientation programs to equip the graduates they hire with much of the vital knowledge they will need on the job.

Career guidance to steer students in the direction of available health care opportunities also is lacking. For example, biology and chemistry graduates, frustrated by failure to find research positions, are often not directed toward laboratory science, where a shortage of qualified individuals exists.

Competing for new employees in an era of shortage. As organizations seek to fill future workforce gaps, it's important to consider what prospective employees will want from their employers. Future employees will be looking for a leader to follow, one who is inspirational, innovative, able to articulate a vision for them to pursue and who cares about the employees and the organization. Future employees also will be seeking flexible and adaptable organizations. The ability to maintain relevancy and attract and retain an engaged workforce are some of the leadership skills needed to respond to workforce shortages.

Changing job roles. The projected workforce shortage, coupled with a driving need for cost-efficiency, will increase the use and reliance on mid-level providers or advanced practitioners. These individuals can expect to expand their scope to be working at the top of their license. Additionally, the demand for scribes — nonclinical staff who enter medical record

documentation and perform other administrative tasks for physicians — will increase.

WORKFORCE DEMOGRAPHICS

The demographics of the U.S. population are shifting: By 2050, it's estimated that one in three Americans will be African-American, Hispanic, Native American, or Asian or Pacific Islander. Better health, longer life expectancy, economic concerns and financial incentives are contributing to individuals' working beyond retirement age.

Achieving cultural competency. Hospitals and systems must understand their multicultural patient population and create a multicultural staff that mirrors that population. Rapid population growth and increasing diversity in some regions may lead organizations to look internationally for qualified staff, particularly when coupled with the projected workforce shortage.

Diversity and the cross section of generations now being employed requires organizational leaders to more deeply understand cultural differences and what motivates or drives different employees. Creativity and flexibility are needed to support an organization's various employee populations. Instead of promoting the concept of work-life balance, which depicts a 50-50 split, organizations will set accurate expectations and assist employees with finding a work-life fit that works for them and the organization. Achieving fit requires good leaders prepared to manage a department with flexibility and adaptability.

RETIREMENT

While previous generations were focused on obtaining a good job with benefits and a retirement plan and devoted little thought to leaving an organization once employed, today's younger employees are more focused on how benefits will serve them today and are less engaged in retirement planning.

Reasons for postponing retirement. In general, older employees are postponing retirement as the result of

Projections for Tomorrow's Health Care Workplace

The Vision of Performance

> Average performance will not achieve the standards and quality outcomes needed to earn sustainable reimbursements for the organization.

- Hospitals and systems will seek to hire and retain individuals with personalities that are the "right fit" with the organization, then train for skills, seeking individuals who are flexible, open-minded, collaborative and willing to embrace change.

- Talent management will no longer be episodic performance management. Traditional performance evaluations will be re-evaluated to incorporate new ways of ensuring competence and quality.

> New staffing models will be implemented to better deliver results-based care (for example, team models, embedding care managers with primary care medical homes with physicians).

> Compensation structures will be redesigned to pay for performance (for example, the focus on patient needs and achievement of better clinical outcomes).

- Automatic pay increases will no longer be granted.

- Organizations will move away from productivity-based incentives based on relative value unit measures and achieving budget and other financial targets.

> Hospitals and systems will confront additional pressure placed on wages resulting from workforce shortages, which are expected to drive up wage demands and create competition for limited dollars that might also be used for incentive programs.

> Health care transformation is a "leadership moment." In tomorrow's workforce environment:

- Succession plans will already have been developed and enacted. High-potential employees will have been identified and given the leadership tools and opportunities to be leaders in tomorrow's workplace;

- Successful organizations will not have assumed that future leaders can mirror the image of leaders today.

They will have identified the emerging characteristics, skills and competencies needed by leaders of tomorrow and acted accordingly;

- Physicians will be fully integrated into vital leadership roles.

Expectations of Workforce Shortages

> Educational institutions' lack of funding, agility and responsiveness today will contribute to a shortage of individuals with the right skill sets and knowledge for tomorrow's environment.

> Hospitals and health systems will need to provide post-education orientation to adequately equip the graduates they hire.

> The ratio of advanced nursing degree vs. bachelor of

science in nursing programs may challenge some hospitals and systems in meeting the Institute of Medicine's BSN staffing recommendation.

> Regulatory and political issues will be addressed, allowing licensed staff to work at the top of their license.

> To strengthen employee retention, organizations will offer unique benefits that meet employee needs, such as financial counseling.

> Organizations successful in filling tomorrow's workforce gaps will:

- Demonstrate leadership that is inspirational, innovative and caring;

- Offer a measure of flexibility, adaptability and relevance to tomorrow's workforce;

- Have a strong sense of purpose and a clear vision for employees to pursue.

> Organizations will seek to educate patients about efficient use of health care resources.

Responses to Changing Workforce Demographics

> Rapid population growth and increased diversity may require international recruitment to find qualified staff to mirror patient populations.

> Flexibility will be required to support an organization's various employee populations. Leaders will seek to set accurate employee expectations and assist with work-life fit, not work-life balance. Fit will require tomorrow's leaders to be flexible and adaptable.

The Implications of Technology

> Advances in technology will likely drive the obsolescence of some manually intensive, entry-level jobs (for example, the impact of electronic health records or the need for transcriptionists).

> Technology will also create new jobs, such as biomedical technologists — individuals with the skills to maintain and repair high-tech equipment.

> Technology will drive a need to push employees to higher education and positions requiring advanced skills. Organizations will be challenged to invest resources in training and educational programs.

> As organizations consolidate and establish new partnerships across the continuum of care, technology will enable and encourage a distributed workforce, including virtual workplaces. Individuals must overcome stereotypes and preconceptions about which jobs must be physically located within a building.

> Technology will increasingly be used as a communication tool that can influence culture and employee health management.

Source: American Society for Healthcare Human Resources Administration, "Envisioning Tomorrow's Healthcare Workplace," 2013.

longer life expectancy, better health, altruism and lost confidence in their ability to afford comfortable retirement.

While many older workers closely watch the performance of their investments, many also are enjoying the vitality of working later into life. With some flexibility in their work schedule and a longer life span, older employees have less need or desire to retire as early as those of prior generations. Despite this, leaders increasingly find that other older employees are delaying retirement plans because they hold the insurance for their spouses and younger dependents.

Although workers in general (and employees 55 years and older in particular) are postponing retirement,

in particular likely will be replaced. However, growth in technology also is expected to create new opportunities. For example, the adoption of electronic health records is displacing the need for transcriptionists. Many transcriptionists, however, are embracing opportunities created by the need for scribes and ICD-10 implementation.

Advances also are creating a new market in biomedical technology for people with the skills to maintain and repair high-tech equipment. But despite new opportunities, experts predict a net loss in jobs as the result of health care technology.

Experts also predict that the implementation of technology, job obsolescence and creation of new opportunities will push people to positions re-

to communicate directly with a large number of employees who may be dispersed across a region. Technology is also being implemented as a key tool in population health management. Hospitals are employing technology to send personalized wellness messages to employees who participate in the organization's wellness program. The wellness challenge, however, will be overcoming the sedentary nature of technology-related work.

New skills needed. Shared knowledge from health information networks and data from the insurance exchanges will be critical sources of intelligence, but data alone will not be enough. Analysts who can evaluate and convert raw data into sets of robust information that can be used for decision-making in strategic areas will be in demand. Individuals with critical-thinking skills and the ability to find answers in the data will be invaluable to an organization's success. For example, an individual with an economics background working with a hospital's quality department is able to examine quality initiatives and pull data, matching it with financial data to demonstrate evidence-based results.

SHARED KNOWLEDGE FROM HEALTH INFORMATION NETWORKS AND DATA FROM INSURANCE EXCHANGES WILL BE CRITICAL SOURCES OF INTELLIGENCE, BUT DATA ALONE WILL NOT BE ENOUGH.

the hospital workforce is somewhat more confident in a financially secure retirement than the general public (66 vs. 49 percent). Hospital employees are also more likely to be saving for retirement (88 vs. 59 percent).

TECHNOLOGY

Although health care has lagged behind other fields in adopting, adapting to and leveraging information technology, new laws, regulations, payment incentives and penalties are driving hospitals and systems to use technology to improve efficiency, integration and delivery of high-quality care.

Job obsolescence balanced in part by new opportunities. Technology will impact certain tasks and positions more than others and will lead to obsolescence for some jobs. Manually intensive, entry-level positions

requiring higher education and greater skills. The challenges will lie in organizations' ability to invest financially in training and educational programs.

Technology enables distributed work locations. Advances in technology will enable and enhance a workforce that is distributed across various locations, including virtual work stations. Many individuals working in health care will need to embrace the potential of technology and overcome stereotypes regarding which jobs must be physically located within a building vs. working virtually or in remote workplaces.

Enabling communication that can influence culture and wellness. Technology is a critical leadership and communication tool for a dispersed workforce. CEO blogs are already in use by some organizations as a means for executive leadership

OTHER AREAS OF CHANGE

Access to capital remains difficult to source at a favorable rate, and as care delivery shifts from acute care to ambulatory settings, building new facilities to accommodate ambulatory services will not always be a feasible solution. Alternatively, physician groups and others are considering changes to their hours of operation and shift differentials, procedures familiar to hospitals but new to group practices. Tomorrow's solutions will include new and different models of care and sharing of practices. **T**

The American Society for Healthcare Human Resources Administration of the American Hospital Association is dedicated to meeting the professional needs of human resources leaders in health care. To read the complete "Envisioning Tomorrow's Healthcare Workplace" report, go to www.ashhra.org/tlf.