

Transforming the Health Care Workforce of the Future

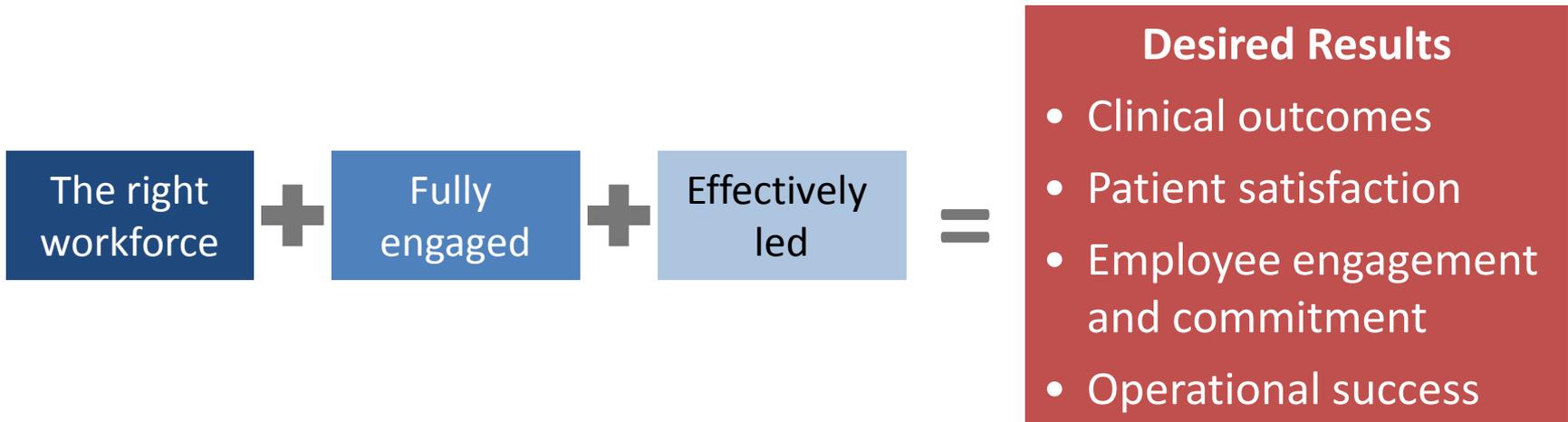
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HUMAN RESOURCES ADMINISTRATION
OF THE AMERICAN HOSPITAL ASSOCIATION

Learning Objectives

- Planning for the Workforce of the Future
 - Review the future workforce needs of your organization
- Enhancing Engagement to Create Success
 - Recognize how you can enhance employee engagement and help workers translate it into improved performance
- Increasing Manager Effectiveness — Critical Element
 - Discuss how to move people into management tracks and provide the support they need to be effective

How it knits together



The right workforce: Workforce planning

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Talent implications of health care reform and demographic trends: Huge growth!

Industry Segment	2008 Employment (000s)	2008-18 Percent change
Health care, total	14,336.0	22.5
Hospitals, public and private	5,667.2	10.1
Nursing and residential care facilities	3,008.0	21.2
Offices of physicians	2,265.7	34.1
Home health care services	958.0	46.1
Offices of dentists	818.8	28.5
Offices of other health practitioners	628.8	41.3
Outpatient care centers	532.5	38.6
Other ambulatory health care services	238.5	6.8
Medical and diagnostic laboratories	218.5	39.8

Source: BLS National Employment Matrix, 2008-18.

Health care occupations go hand-in-hand with industry growth

Occupation	Employment, 2008 (000s)		Percent Change, 2008-18
	Number	Percent	
All occupations	14,336.0	100.0	22.5
Management, business, and financial occupations	614.6	4.3	16.8
Professional and related occupations	6,283.9	43.8	22.5
Counselors	171.3	1.2	22.6
Social workers	206.7	1.4	19.5
Dietitians and nutritionists	35.5	0.3	9.8
Pharmacists	67.5	0.5	14.0
Physicians and surgeons	512.5	3.6	26.0
Physician assistants	66.2	0.5	41.3
Registered nurses	2,192.4	15.3	23.4
Clinical laboratory technologists and technicians	278.8	1.9	14.0
Emergency medical technicians and paramedics	142.1	1.0	9.2
Licensed practical and licensed vocational nurses	619.1	4.3	21.9

Source: BLS National Employment Matrix, 2008-18.

Nursing shortages will continue

- Potential shortage of more than 260,000 nurses by 2025
- Lack of trained caregivers threatens to flat-line government's health care law
- Inexperience a real problem?
 - A glut of young and/or inexperienced nurses
 - Economic issues delaying retirement have reduced anticipated retirements
 - Reduced vacancy rates
- Example of pay-for-performance plan – State of Texas Regional Chamber of Commerce
- Health care incentives
 - Tuition reimbursement
 - Opportunity to non-patient care workers to transition into patient care

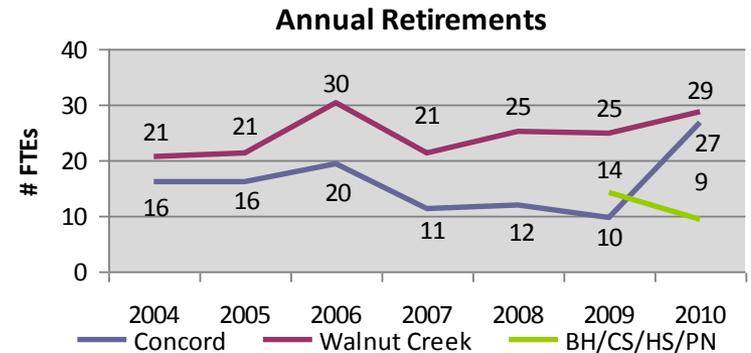
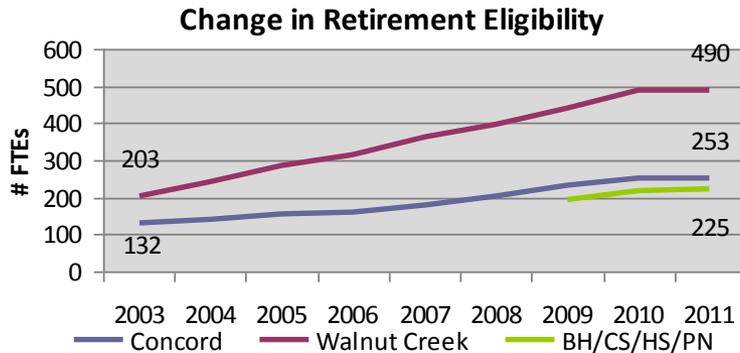
Source: "Texas hospitals work to address nurse shortage," *Dallas Morning News*; Jason Roberson.

The John Muir Health story

- Planning for the Future
 - JMH is a non-profit, community based health system located in the San Francisco Bay Area
 - Magnet designated for nursing excellence and has been ranked one of the nation's top hospitals by *U.S. News & World Report* four times
- Key issues and challenges
 - Looming retirements
 - Educational System – deep cuts and alignment issues
 - Uncertainty about emerging roles
 - Inherent need to conserve cash
 - High engagement scores in 2008 — but also significant changes
 - Rebranding and refocus due to changing payer models

Workforce demographics

Retirement Trends



Critical Roles — 3/31/2011 Ret Eligible (% Eligible)	Concord (FTEs)	Walnut Creek (FTEs)	Total (FTEs)
Clinical Lab Scientists	5.3 (29%)	34 (49%)	39.3 (45%)
Imaging	4.6 (12%)	13.5 (28%)	18.1 (21%)
Pharmacists	4 (22%)	2.6 (14%)	6.6 (18%)
Registered Nurses	56.3 (15%)	125.85 (16%)	182.15 (16%)
Nurse Manager	15.7 (42%)	21.9 (27%)	37.6 (31%)
Respiratory Therapists	7.3 (37%)	12 (35%)	19.3 (36%)
Directors & Above	5 (30%)	12 (40%)	49.8 (38%)*

*Includes BH/CS/HS/PN Entities.

Critical issue — and biggest challenge: How do we plan for lab talent?

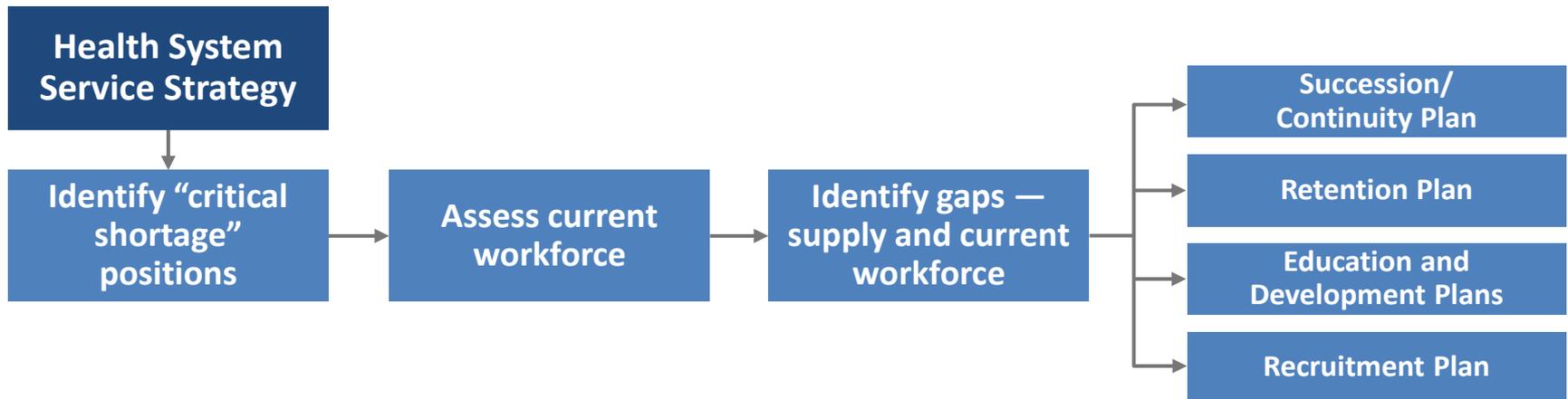
Environmental Scan

- CA ranks among the 7th lowest state in CLS per 100,000 population
- Average vacancy rate in CA hospitals is expected to reach 30% in 2010
- CA hospitals reported average six-month time to fill vacant CLS positions
- Average age of a CLS in CA is 50
- Need for diagnostic services will outpace number of CLS that will be available to perform the test
- 13 CLS programs in CA — they graduate approximately 125 CLS annually
- Other states such as Texas and Michigan graduate 2-3 times more students for approximately the same amount of training programs

Source: HLWI — California's Other health care Crisis.

Workforce planning approach

- Aligns with line-of-business plans to leverage resources and activities
- Augments building HR plans by department or facility
- Key talent planning process; drives outreach programs, retention and development planning
- Applies to key positions and people with high potential for growth



Workforce development components

Workforce Development Components

Grow Our Own

Offer clear career/education pathways for employees

- Career Coaching
- Release Time
- Tuition Reimbursement
- Student Loan Forgiveness

Invest in Local Education

Provide financial support/direction to meet workforce development goals

- HOSA
- Health Academies
- ROP
- Adult Ed
- Community Colleges
- CSUEB

Collaborative Efforts

Pool our resources for maximum results

- HLWI
- OSHPD
- CHA
- HC
- Advisory Boards
- WIB
- Foundation Boards
- HBCC
- CEP

New Hire Initiatives

Ensure we retain the best

- Manager Orientation
- New graduate residency
- EAP
- Leadership development series
- Executive coaching

Older Worker Initiatives

Remove obstacles to continued service

- Adjunct faculty
- Lift team
- Educational opportunities

Annualized Budget: \$7.2 M

Workforce development approach and the talent lifecycle



High School Student

New Grad

Internships

E-mentoring

Job shadows

Volunteering

6%



College Student

**New Grad —
New Hire**

Departmental
orientation

New grad residency

Mentoring

23%



Career Explorer

Career coaching and
planning

Tuition
reimbursement

Student loan
forgiveness

Scholarships

Mentoring

Flexible scheduling

% Unknown



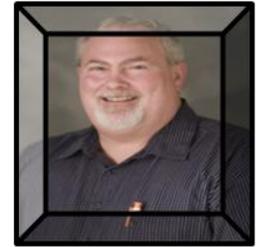
Mid-Career

Career coaching

Leadership
development series

Educational
programs on-site

27%



Experienced Workers

Flexible schedules

Lift Team

Unit Councils

Adjunct faculty
positions

Phased retirement
(under development)

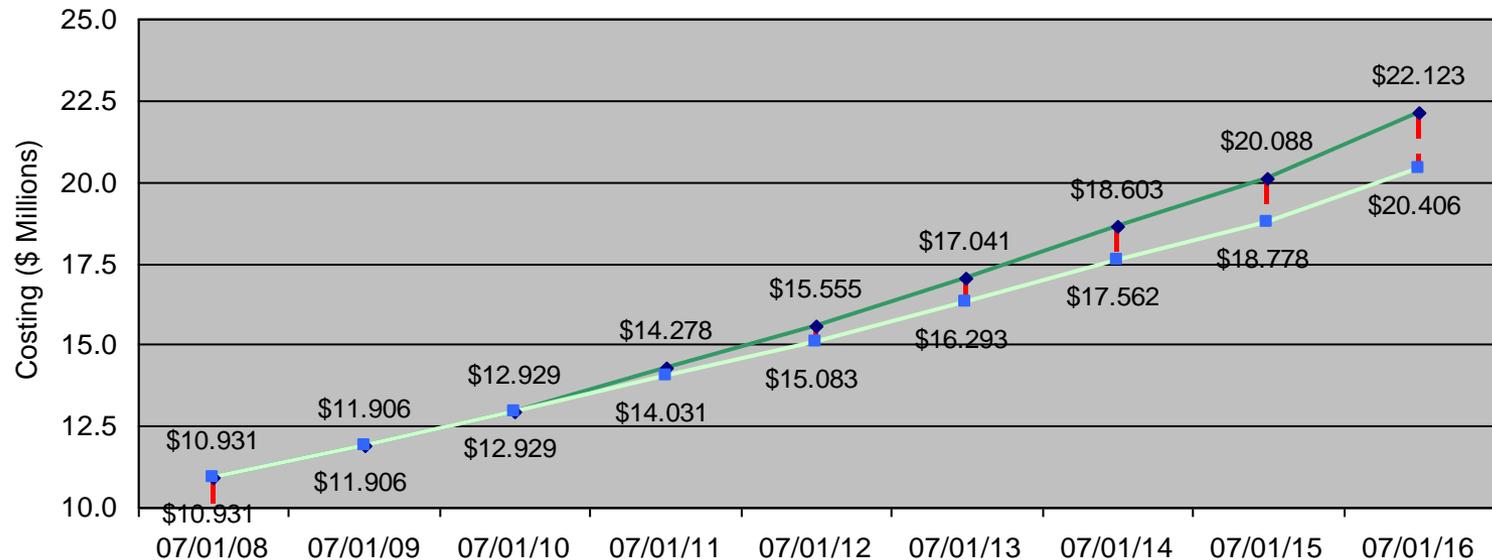
29%

Workforce demographics “MuirLab”

Director/Cost Center	Concord Campus		MuirLab Clinical Lab			Walnut Creek Campus	
Current Demographics	CLS	All	CLS	MLT	All	CLS	All
Headcount	21	67	54	2	129	24	83
FTE	18.5	57.5	48.7	1.9	117.7	21.1	73.2
Average Age	46.4	48.3	54.1	43.4	46.9	53.1	47.5
Average Service	13.2	11.1	14.1	5.5	11.2	11.9	10.1
Retirement Risk	7 (33%)	18 (27%)	27 (50%)	0 (0%)	42 (33%)	9 (38%)	20 (24%)
% Expert	5%	5%	10%	0%	10%	26%	20%
2010 Entrants & Exits	CLS	All	CLS	MLT	All	CLS	All
2010 New Hires							
2010 Turnover							
Turnover							
0 < 3 Year Turnover							
2008 Commitment (National HC Benchmark)	MDH Lab		MuirLab Clinical Lab			General Clinical Lab	
Commitment Indicator	4.11 (+0.09)		4.45 (+0.43)			4.21 (+0.19)	
Employee Domain	3.91 (-0.03)		4.22 (+0.28)			4 (+0.06)	
Manager Domain	3.63 (-0.28)		4.06 (+0.15)			3.75 (-0.16)	
Organization Domain	3.76 (+0.05)		4.12 (+0.41)			3.84 (+0.13)	

Changing skill mix can help address shortage issues and costs

Base Compensation + Benefits



CLS/MLT FTE Skill Mix Costing (\$ Million)	2008	2009	2010	2011	2012	2013	2014	2015	2016
CLS Only	\$10.931	\$11.906	\$12.929	\$14.278	\$15.555	\$17.041	\$18.603	\$20.088	\$22.123
CLS/MLT	\$10.931	\$11.906	\$12.929	\$14.031	\$15.083	\$16.293	\$17.562	\$18.778	\$20.406
Cost Savings	\$0.000	\$0.000	\$0.000	\$0.247	\$0.472	\$0.748	\$1.040	\$1.310	\$1.717

Conclusions and go-forward strategy

- Our workforce is not prepared to meet additional demands of new clients
- Lack of workers reduces ability to sustain current operations and challenges growth strategy of increased test volume
- Salary and orientation costs rise significantly each year, impacting our bottom-line
- Across California and across the US, the worker shortage is impacting laboratories – we can't expect to solve our workforce issues by hiring externally
- We must look beyond our current strategies and develop a comprehensive internal and external approach to ensure we have the workforce we need
 - Implement a new job classification
 - Gain support from current workers (this doesn't decrease importance of the profession)
 - Expand our college relations and student training program
 - Engage community stakeholders to solve this program collectively
 - Gain support from constituents

How John Muir Health leveraged workforce planning data beyond our system

- Given all the emphasis on workforce development from the federal government (ARRA), we used data in the following ways:
 - Engage the federal and local workforce system
 - ARRA grant provided \$10,000 to us for each laboratory student we trained
 - \$100,000 training grants to offset costs
 - \$70,000 in summer intern money for career development program with the County Office of Education
 - Program gave each participant 4 credits toward graduation
 - Seed money for the DVC Medical Laboratory Tech Program
 - Brought regional focus to issue and got hospitals talking and working together

The road traveled: Planning for the future...

- When did John Muir Health begin workforce analytics and planning?
 - In 2003, shortly after designation of formal Director of Workforce Planning and Development role
- What were the key business issues we were trying to solve?
 - Expansion
 - Nursing shortage and impact on patient care and outcomes; uncertainty about other roles that would prohibit growth and effective patient care delivery
 - Turnover in critical nursing roles
 - Developing a pipeline of workers for the future; high school career planning offices were focused on Nursing and Doctors due to the lack of knowledge about other health care career options

The road traveled: Planning for the future...

- What were a few key obstacles and challenges?
 - Inconsistent external data about workforce availability
 - Disbelief about what the data was saying, in spite of great information and very detailed scenarios
 - Leaders were overwhelmed and surprised by the severity of problems
- How did you engage leadership?
 - Segmented audiences:
 - High-level overview for senior management communications
 - Distilled information down to one page or less per business unit
 - Detailed for other audiences
 - Quantified the cost of doing nothing and tied it to lost revenue

The road forward: in workforce planning...

- Where is JMH currently in regard to workforce planning?
 - Moving toward integrated talent management through a recent merger of workforce planning staff and education staff
 - Increasing sophistication around information sharing and delivery by introducing new self-service tools and training
 - Forecasting has proven to be accurate, building organizational credibility
 - Recruiters more proactive when having difficulties filling positions
 - Business partners reaching out to HR for support before we reach a critical stage (medical coding program)
- How is the Workforce Planning and Development team structured?
 - HR currently owns, but in partnership with business
 - Reports to SVPHR

The road forward: in workforce planning...

- What is our vision for workforce planning?
 - Directors' dashboard with key indicators on their desktop
 - Just-in-time reporting tied into short-term recruitment forecasting
 - Streamlining of data and projections
 - Enhanced data integrity from an HRIS perspective
 - Continuous building of HR business partner and recruitment capabilities

Key to success: Making decisions and acting

- Set stage for longer-term support. Workforce development — got people thinking big picture, long term, and thinking of the whole, not just their area
- Implemented key programs to impact the future picture:
 - Comprehensive college relations and high school career development partnerships
 - New graduate on boarding program
 - “Lift Team” program
 - Employee health and wellness (because of aging population)
 - Succession program and leadership development series
 - Work study program
 - Medical Lab Technician program
 - Student loan forgiveness to critical classifications
 - Cultural understanding initiatives
 - “Mildly-ill Child Care” program

Fully engaged:

Employee engagement

Actions should focus on addressing workforce issues and enhancing employee attraction, engagement and retention to drive organizational success...

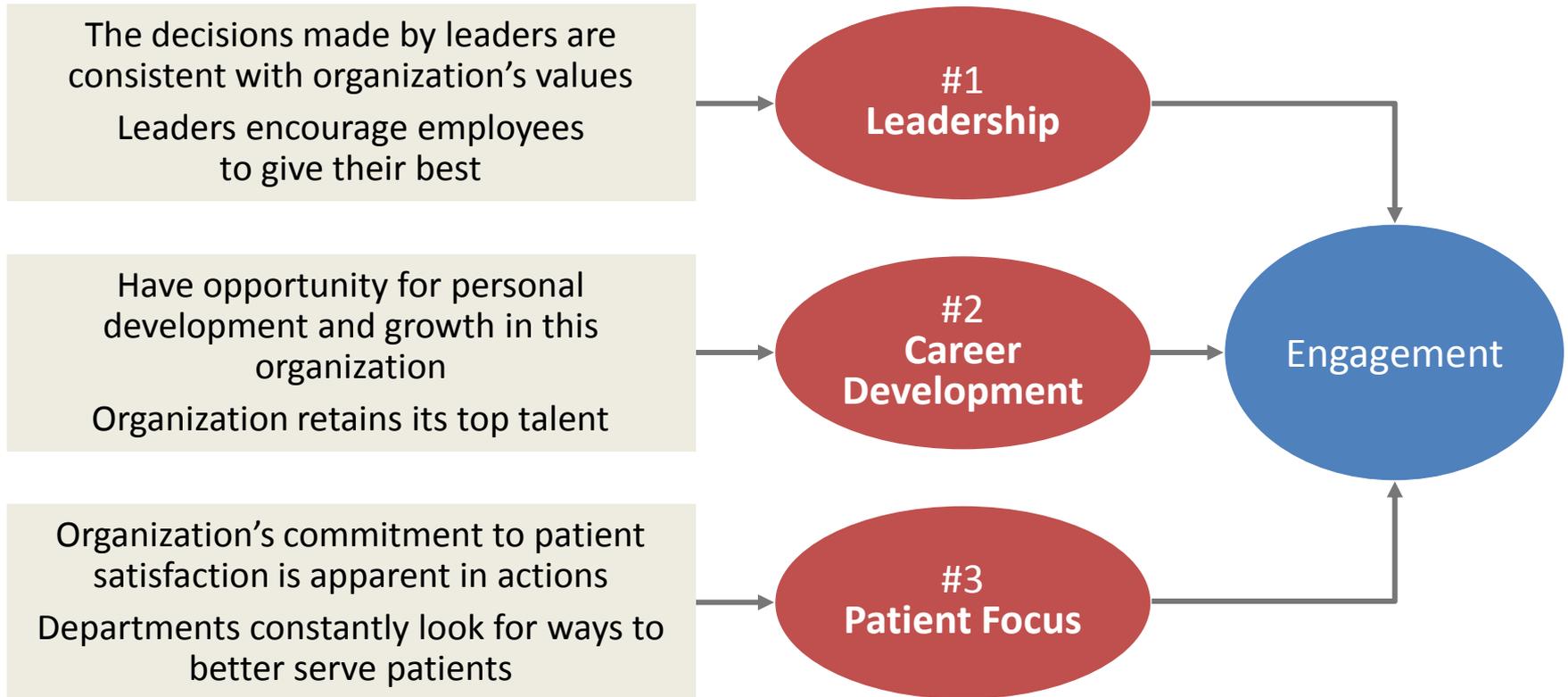
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Attraction drivers: U.S. health care

Drivers	U.S. Health Care	U.S. Overall
Competitive base pay	1	1
Vacation/paid time off	2	2
Career advancement opportunities	3	6
Competitive health care benefits	4	3
Convenient work location	5	4
Flexible schedule	6	5
Learning and development opportunities	7	–
Challenging work	8	9
Competitive benefits	9	8
Competitive retirement benefits	10	7
Organization's reputation as a good employer	–	10

Source: Towers Watson 2010 Global Workforce Study – U.S. Health Care.

Engagement drivers: U.S. health care



Source: Towers Watson U.S. Health Care normative database —
Results based on 6 organizations representing the health care sector (n = 31,304).

Engagement drivers: Nurses sample

Company	Empowerment	Career Development	Working Relationships	Image & Reputation	Efficiency	Goals
Company A (n = 43)	1	2			3	
Company B (n = 910)	1		3			2
Company C (n = 929)		2	3	1		

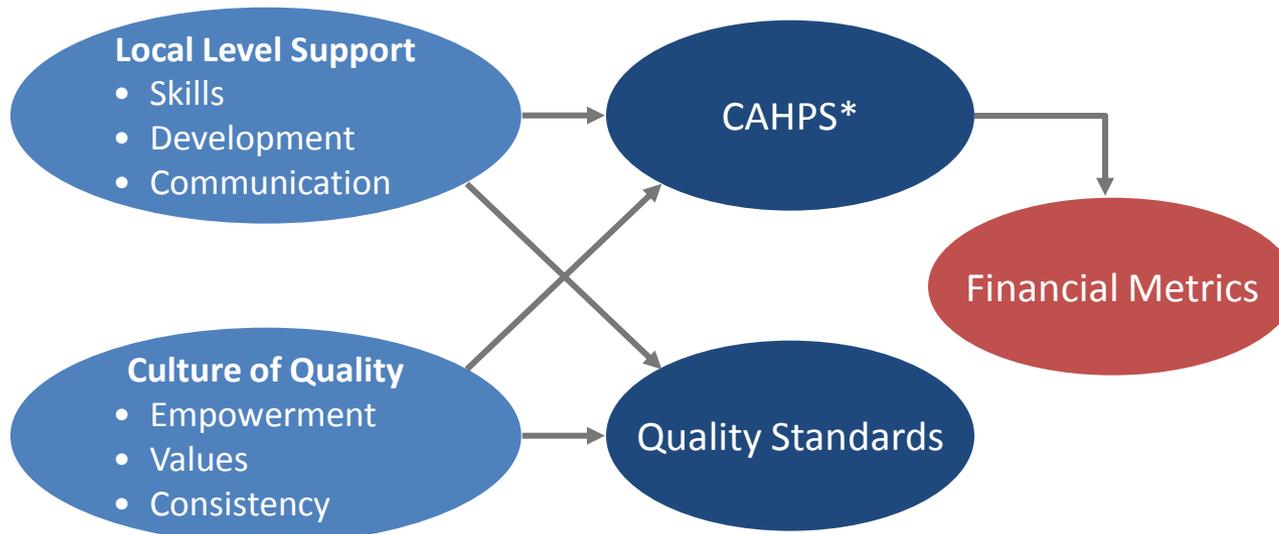
Source: Towers Watson Employee Opinion Normative Database —
U.S. Health Care Client Organizations.

Retention drivers: U.S. health care



Source: Towers Watson U.S. Health Care normative database —
Results based on 6 organizations representing the health care sector (n = 31,304).

The Holy Grail: Understanding linkage between employee perceptions and outcomes



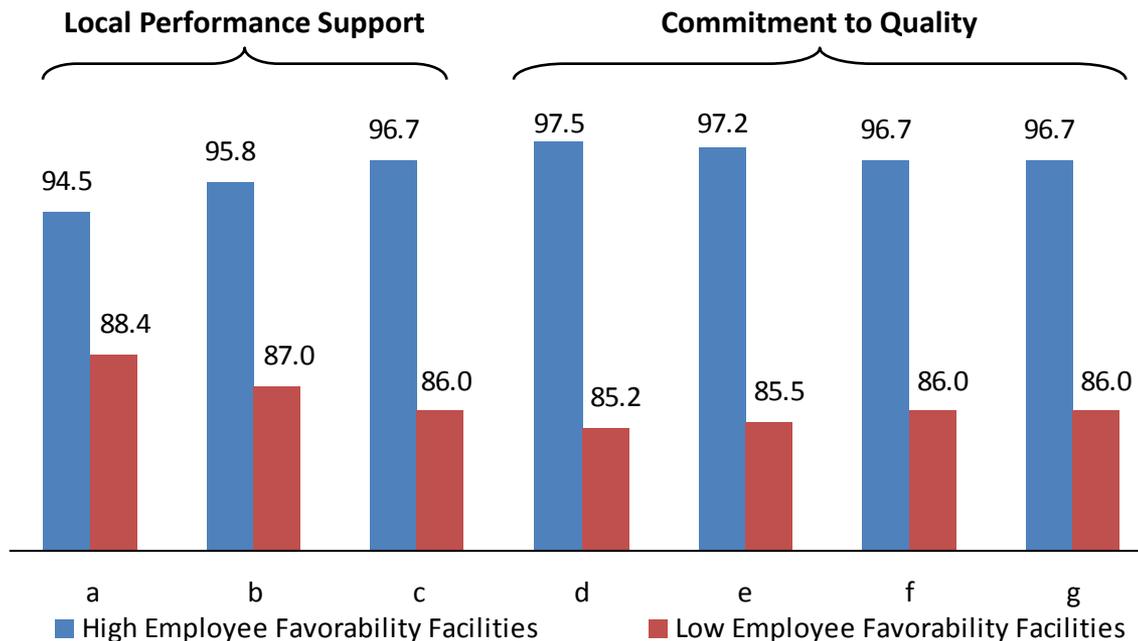
- Employee survey results from 21 acute care facilities (including hospitals and medical centers) at a U.S. health care provider are linked with patient satisfaction and financial performance
- Employee opinion has an indirect impact on financial outcomes through an influence on patient satisfaction

*Consumer Assessment of health care Providers and Systems (CAHPS).

Employee opinion is correlated with patient satisfaction

- Greater perceived local level support is associated with better patient satisfaction
- Perceived commitment to quality is associated with better patient satisfaction

Patient Likelihood to Recommend



Local Performance Support

- I have the equipment and supplies I need to perform my job
- I have the opportunity to enhance my skills and abilities
- Communication here is a priority and I have access to the information I need

Commitment to Quality

- Employees do not hesitate to report medical errors
- My facility always demonstrates a commitment to patient safety
- My organization is committed to deliver quality in every aspect of the work
- The organization sets high standards for integrity and compliance

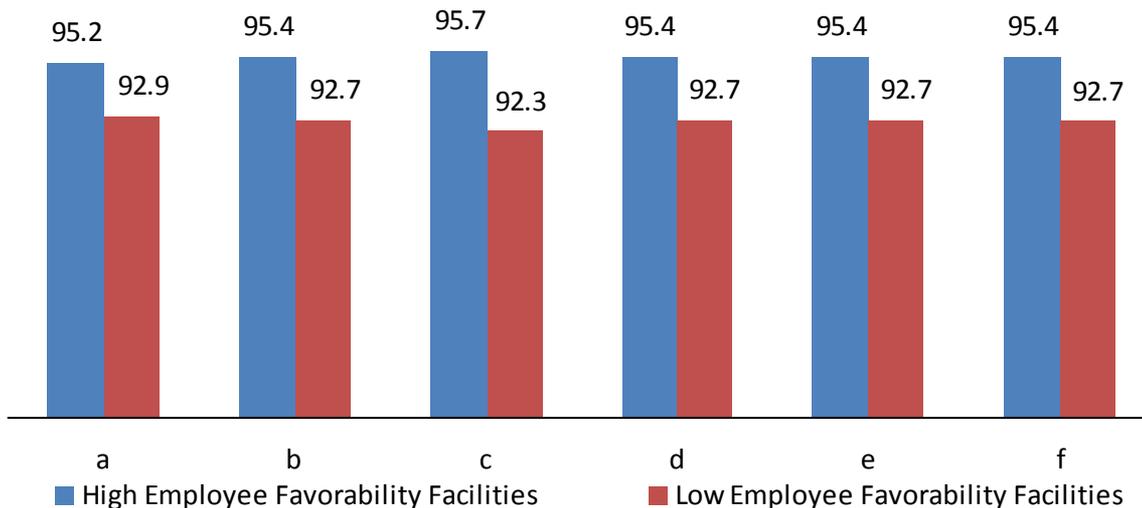
Employee opinion is correlated with patient satisfaction

- Greater perceived local level support is associated with better performance on quality
- Perceived commitment to quality is associated with better performance on quality

Patient Perceptions of Quality

Local Performance Support

Commitment to Quality



Local Performance Support

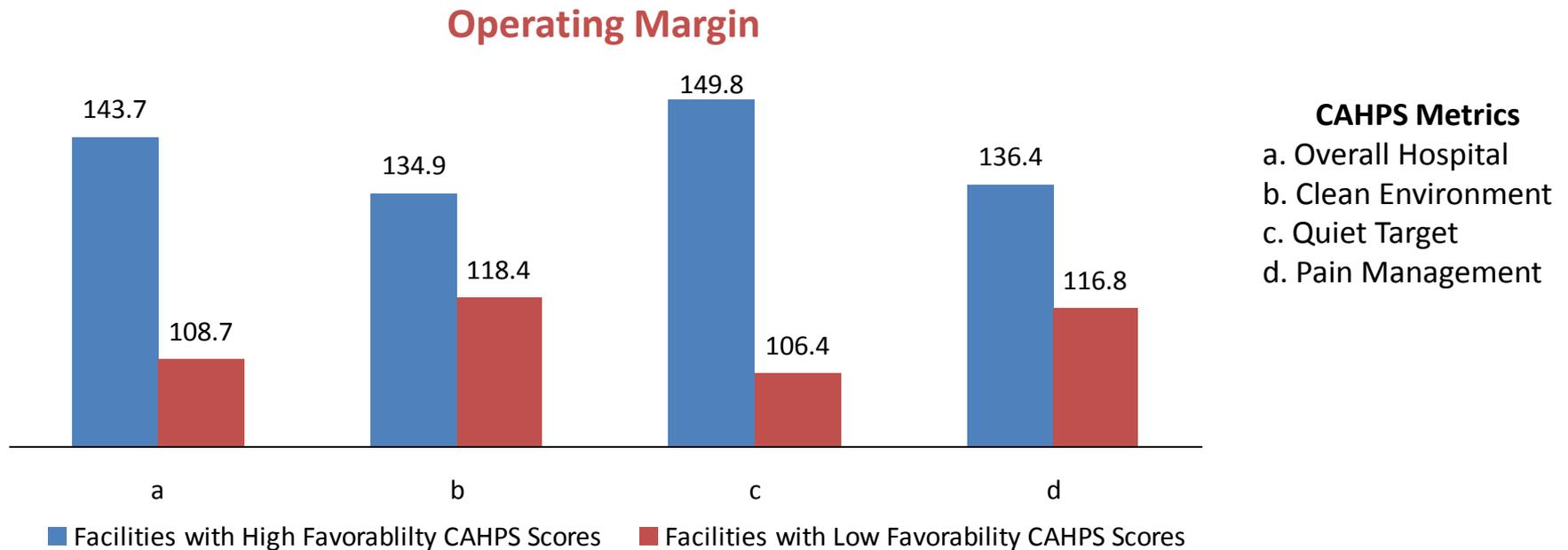
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Patient satisfaction is correlated with financial results

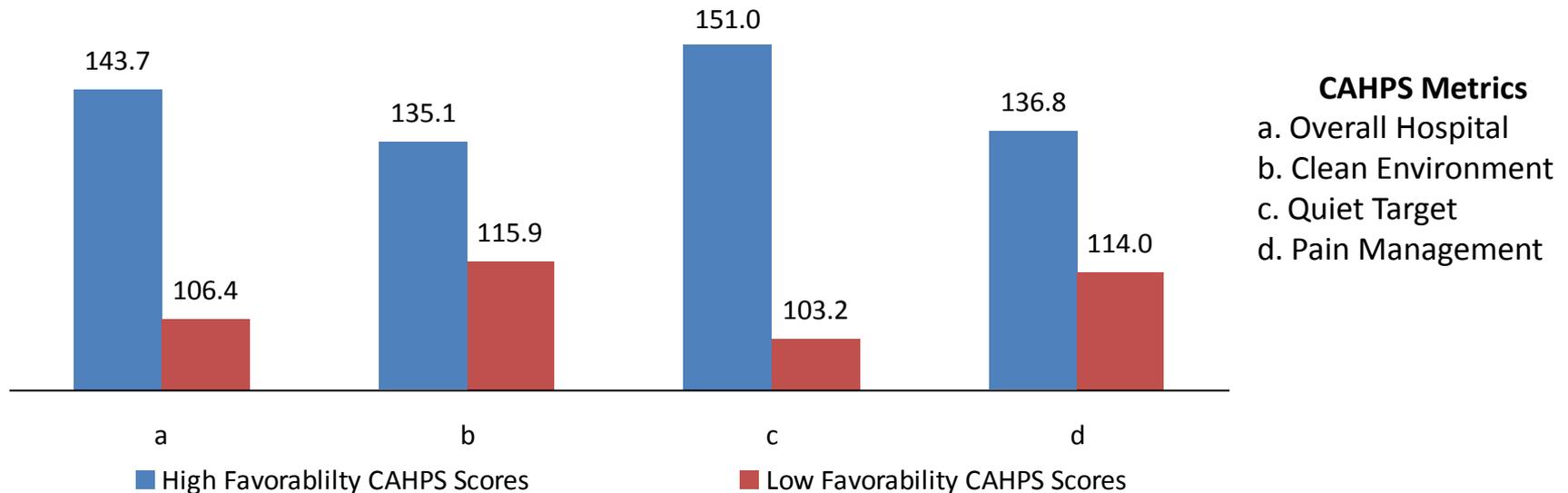
Favorable patient satisfaction (CAHPS) is associated with better performance on Operating Margin (metric is percent to target)



Patient satisfaction is correlated with financial results

Favorable patient satisfaction (CAHPS) is associated with better performance on Income (metric is percent to target)

Income from Operations



Effectively led: Manager effectiveness



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The current environment calls for an offstage manager who excels in five categories



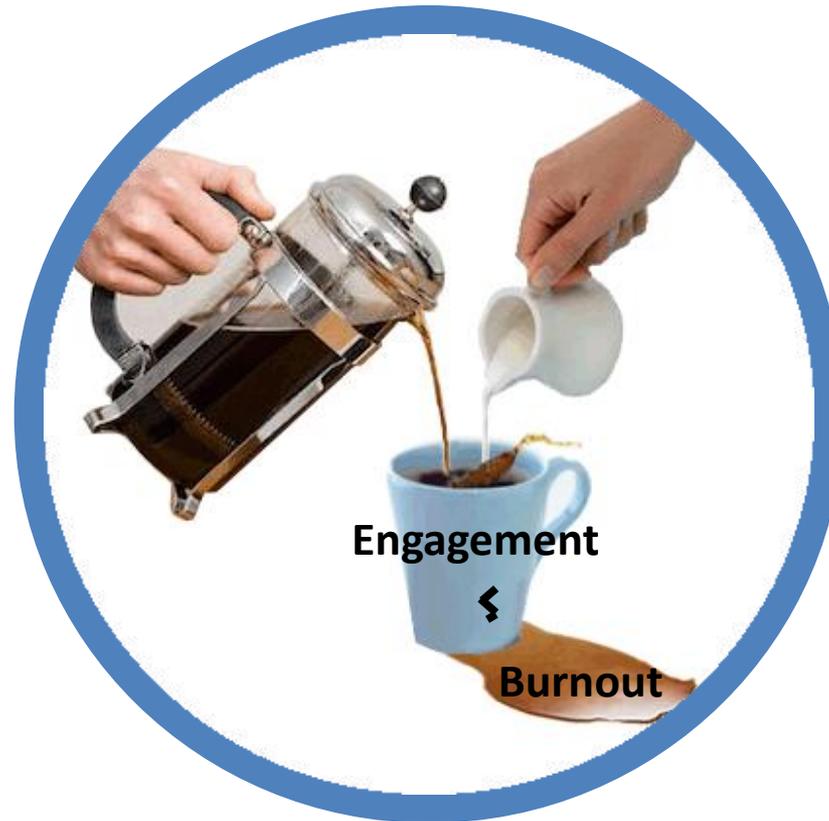
The manager must craft a job and a work environment that builds and sustains employee engagement

Job Resources

- ✓ Autonomy
- ✓ Energizing goals
- ✓ Development
- ✓ Rewards and recognition

Job Challenges

- ✓ Range of responsibility
- ✓ Workload
- ✓ Urgency



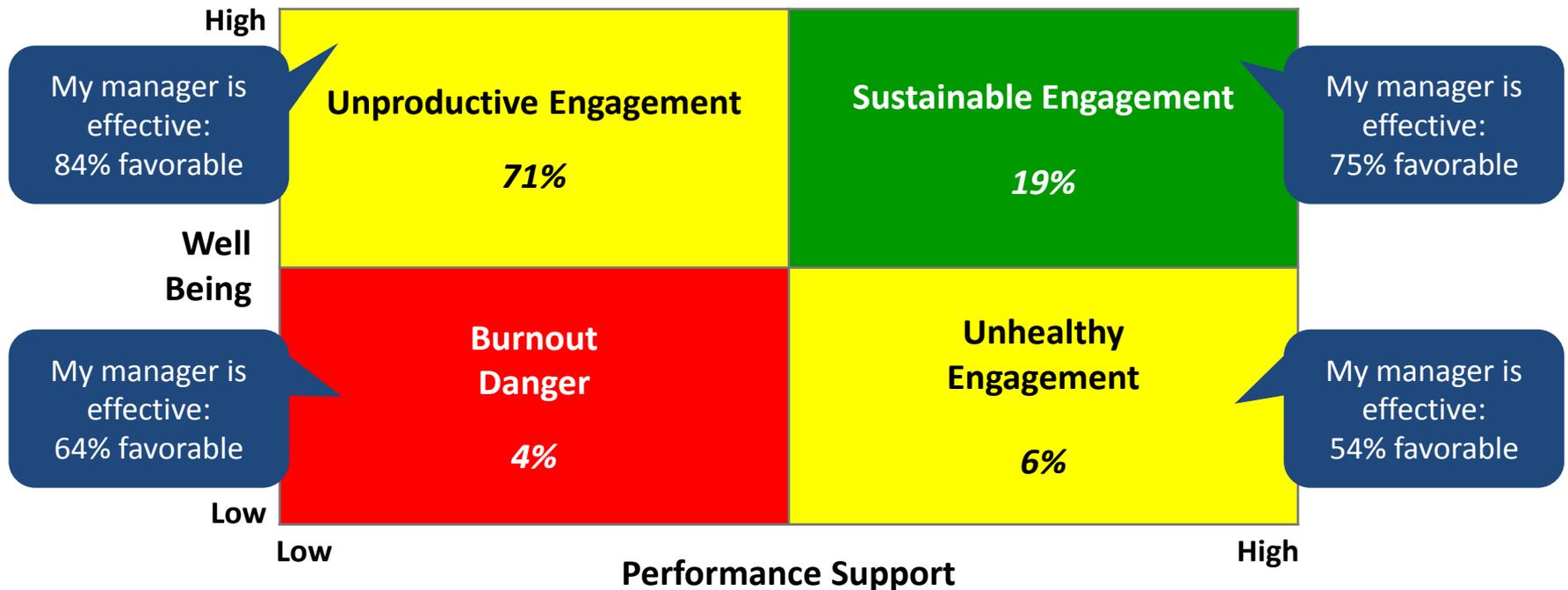
Hindrances

- ✓ Resource shortfalls (including staffing)
- ✓ Role conflict and overload
- ✓ Workplace risk
- ✓ Politics

Sustainable engagement

Engagement can be sustained only if managers and organizations together provide a work environment with high well-being and performance support

Among engaged employees:



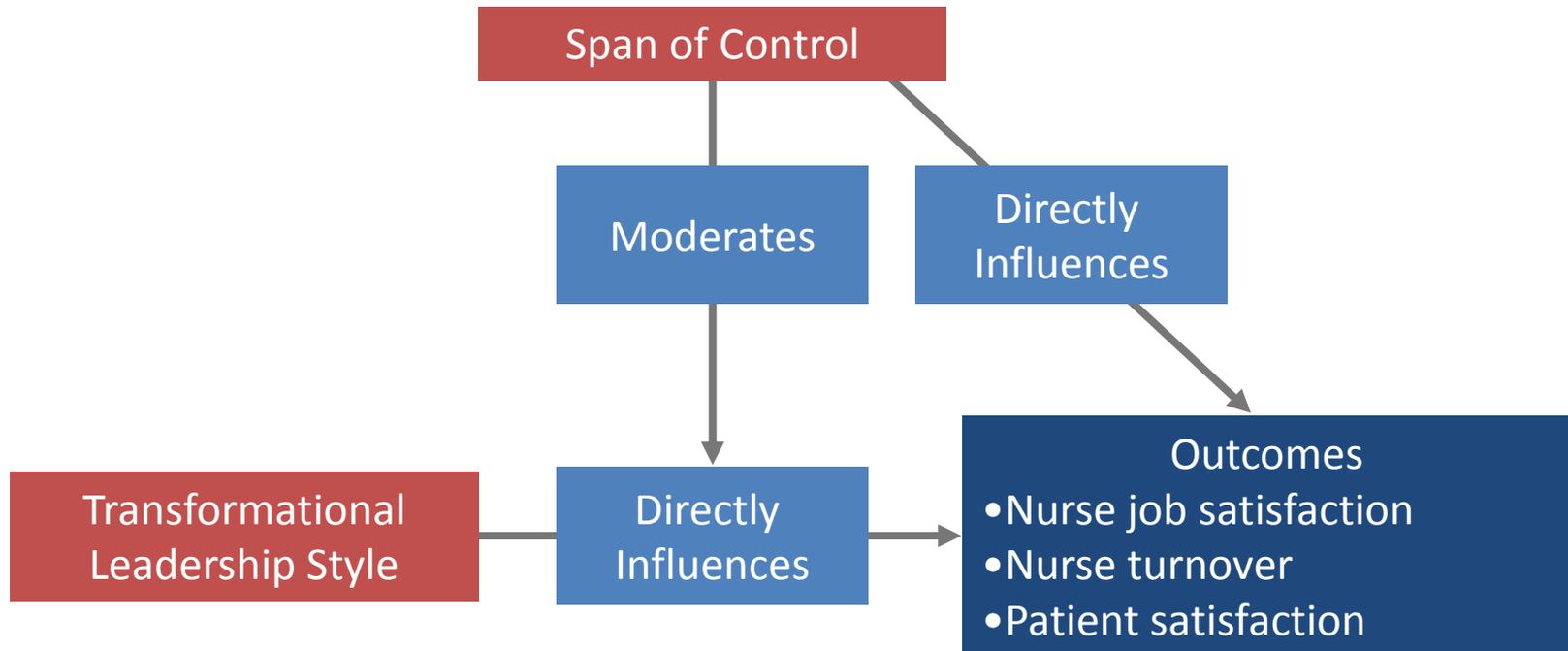
Can managers do this? The problem is...



...that many companies have allowed the manager's job to become a death spiral



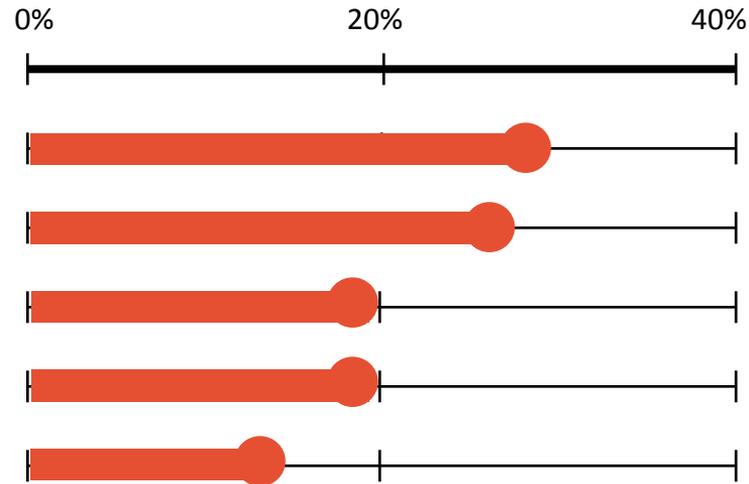
For example, the structure of the nurse manager's job matters



Defining alternative manager roles: Technical expert

Time Allocation

- Direct production
- People focus
- Work process oversight
- External contact
- Administration



Manager Competencies



Employee Roles/ Competencies



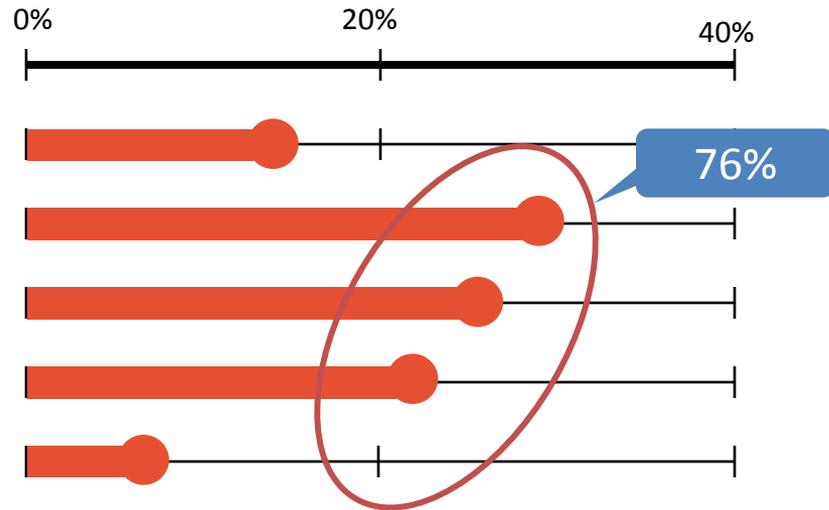
Span of Control



Defining alternative manager roles: Power multiplier

Time Allocation

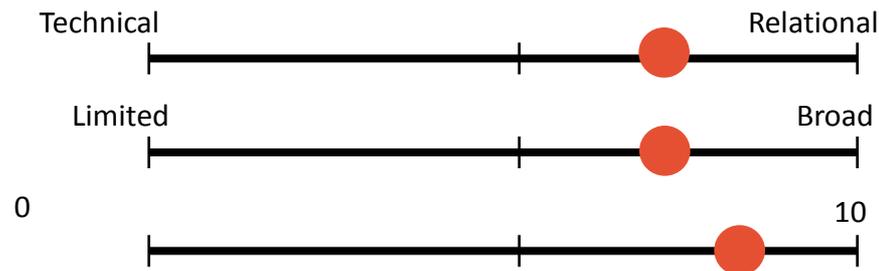
- Direct production
- People focus
- Work process oversight
- External contact
- Administration



Manager Competencies

Employee Roles/ Competencies

Span of Control



A paradox:

For the employee population overall, more contact with managers makes people feel more comfortable working with...

Frequency of contact:	Agree that manager is effective	Disagree that manager is effective
Once a day/several times a day	74%	68%
About once every few days/once a week	24%	19%
About once every two weeks/once a month or less often	3%	13%

A paradox: (continued)

...less manager contact

Frequency of contact:	Agree that manager is effective	Disagree that manager is effective
Once a day/several times a day	74%	68%
About once every few days/once a week	24%	19%
About once every two weeks/once a month or less often	3%	13%
I feel comfortable managing my work on my own, with little direct oversight	89%	56%

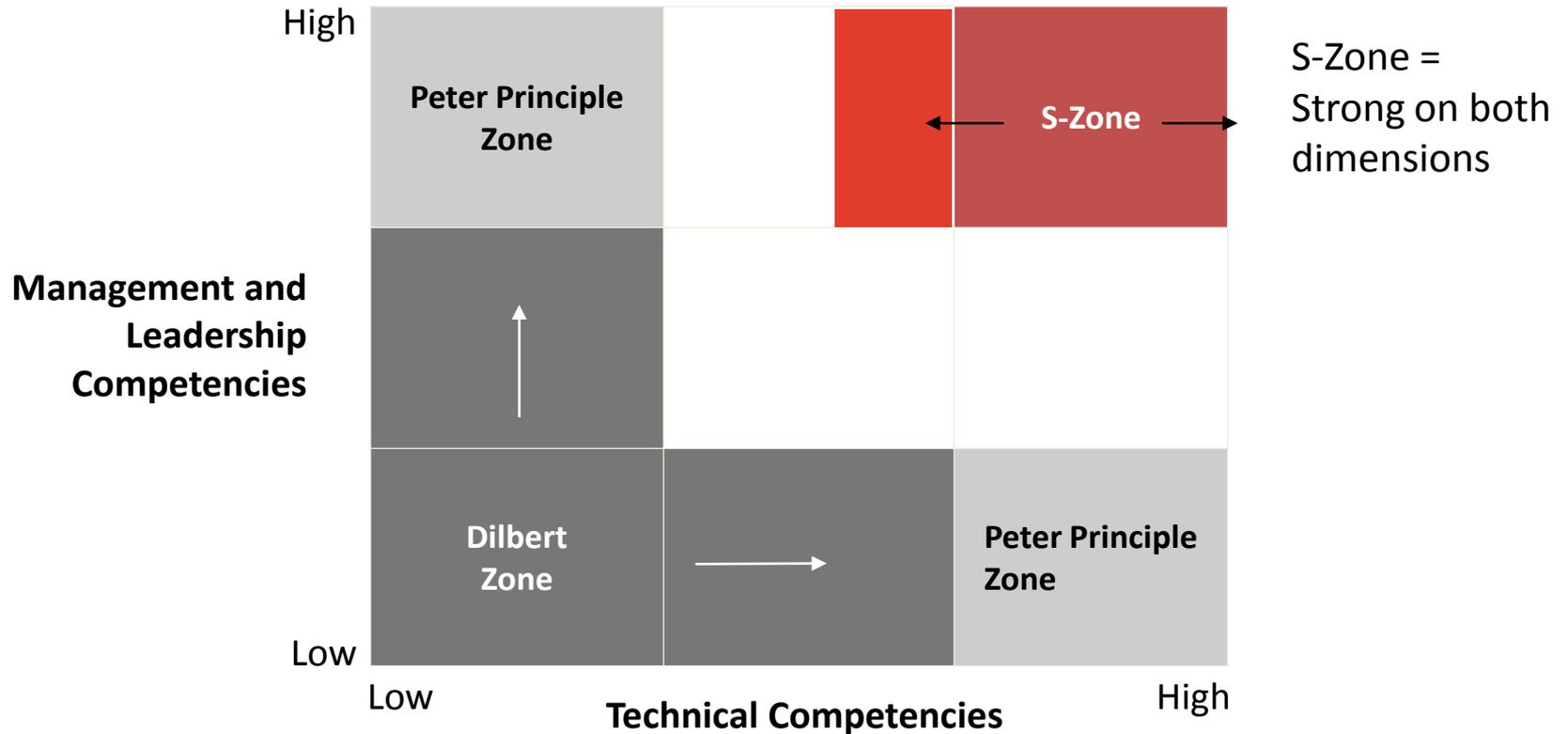
Having a better manager is related to perceptions of effective autonomy

Source 2010 Towers Watson Global Workforce Study

How a manager (and HR) might deliver individualized ROI

Elements	Star Contributor	Future Executive
Work design	<ul style="list-style-type: none"> • Stimulating projects to work on • Membership on teams with smart people • Challenges reflecting technical issues and questions 	<ul style="list-style-type: none"> • Growing responsibility for team or project leadership • Challenges reflecting both team and relationships and project operations
Growth	<ul style="list-style-type: none"> • Career development plan focused on achievement of high technical contributor status • Contact with network of senior experts in the discipline 	<ul style="list-style-type: none"> • Career development plan focused on achieving executive rank • Leadership responsibility for increasingly larger and more important projects over time
Recognition	<ul style="list-style-type: none"> • Technical contributions acknowledged 	<ul style="list-style-type: none"> • Project success acknowledged, leadership potential reinforced
Rewards	<ul style="list-style-type: none"> • Goals and incentives emphasizing commercializable contributions 	<ul style="list-style-type: none"> • Goals and incentives emphasizing project success
Benefits	<ul style="list-style-type: none"> • Flexible schedule/work location 	<ul style="list-style-type: none"> • Cubicle (eventually office) with a window

Find the S-Zone — Consider competencies on 2 dimensions



The focus on technical competencies underlies many hospital promotion strategies

Position	Communication	Networking	Teamwork	Technical*
Director of Nursing	1st	1st	3rd	3rd/4th
Nurse Manager	1st	4th	3rd	1st
Assistant Nurse Manager	2nd	3rd	3rd	1st
Senior Clinical Nurse	2nd	4th	3rd	1st

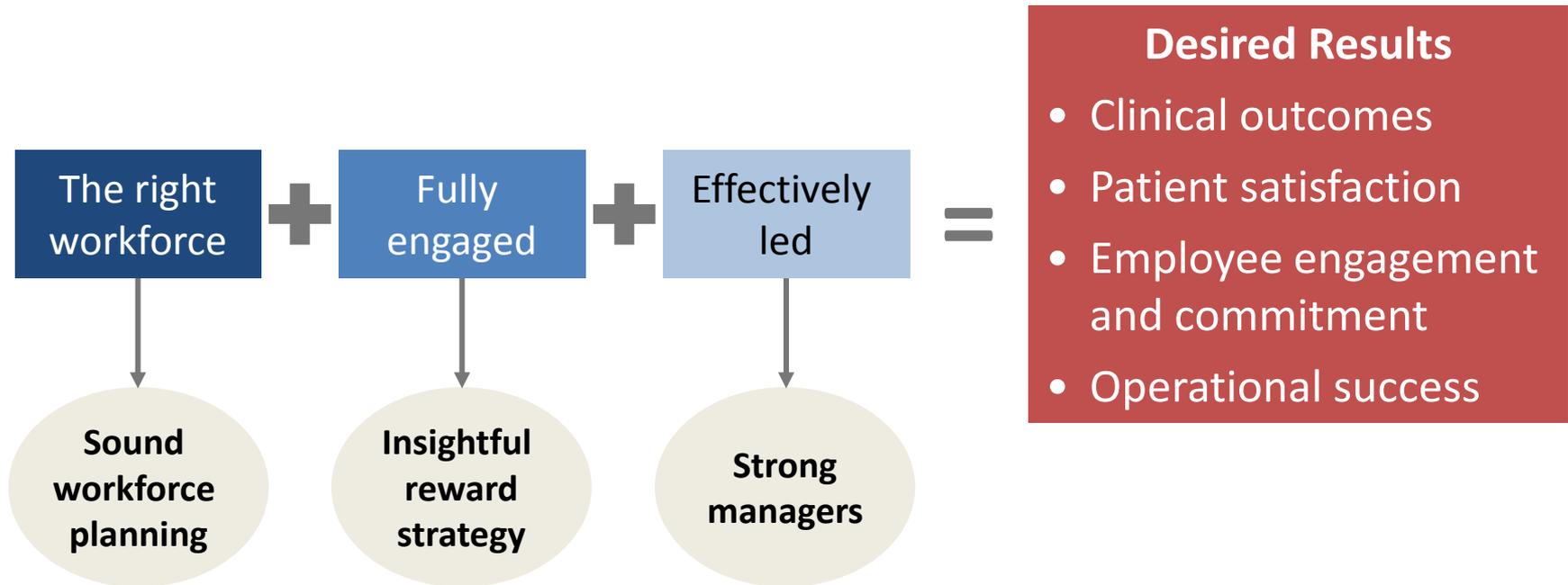
*Incorporating clinical competency, supervision of care, time management.

The seven elements of the manager role system

Only by addressing each element in the system can an organization build a manager role that contributes to competitive advantage



Once again: How it knits together



Questions? Contact Us



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