

Healthcare Reform Requires a Transformation of the Healthcare Workforce



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Introduction

The U.S. healthcare system has entered a new era of increasing pressure to change the way that care is delivered. The system must begin to deliver ‘value’ but organizations are struggling with the cultural change required to meet this challenge.

Many are adopting processes and tools from other industries but are realizing only moderate success because, quite often, physicians, nurses and hospital staff do not have the personal competency characteristics essential for embracing change, and working in a collaborative and continuous improvement environment. Real success will not be realized until selection, promotion and performance management systems target those who will thrive in a value-driven environment.

What Does Healthcare Reform Mean?

Recent Healthcare reform discussions have focused on the Patient Protection and Affordable Care Act, but the healthcare industry has been dealing with ‘reform’ for more than a decade.

Both government and private payers have been reducing reimbursement in many areas and have begun to tie payment to quality data. Consumers are taking more control of their healthcare dollars and have access to quality of care information via the internet. Patients and payers are demanding enhanced quality and service, reduced complications and errors, increased consistency and lower costs.

The competitive landscape, then, is changing from one based on technology and clinical advancements to one based on service, operating efficiency, performance and the ability to deliver value.

The Real Barrier to Change in Healthcare

Success will require drastic changes to delivery mechanisms, financial incentives and the culture of our healthcare organizations. Perhaps more so than any other industry, however, healthcare seems to resist change. Some of this is due to the complexities of the organizations, to the deep-seated sense of autonomy fostered by many diverse healthcare professions, and to a fear of the “industrialization” of healthcare—a loss of the “art” of medicine and focus on the patient.

Thomas H. Lee, M.D., professor of medicine at Harvard Medical School described the problem in his recent Harvard Business Review article, *Turning Doctors into Leaders*. “In the traditional world, medicine is organized around what doctors do rather than what patients need . . . These clinicians may actually work well together in caring for individual patients, but increased costs and dysfunction are inherent in separated administrative structures.” And change will not come easy. “[F]or clinicians to embrace a radical redesign of care delivery—well that would be an unnatural act when they are organized according to their specialties and contented to remain so.”¹

Hiring in healthcare has focused on clinical and technical skills. *Now, health care leaders are asking their workforce to perform critical tasks for which they have not been trained. The hiring process does not assess the required competencies.*

The impact of hiring decisions in this new world is significant. A talented nurse is promoted to nurse manager, without the requisite management skills. She limits that unit’s ability to improve patient satisfaction scores and key quality metrics. An environmental service worker may be diligent and dependable, but if he is not pleasant with patients and their families, he negatively impacts the patient experience. The talented surgeon is now asked to collaborate, to cooperate, to be more productive, help contain costs, and to adapt and change—not the skills for which she was selected or trained.

The Role of Human Resources

In this new world, Human Resources cannot serve merely an administrative function. Nothing is more important than a progressive talent strategy. Human Resources needs a seat at the table so that talent strategies can be matched to organizational strategies.

The American Society for Healthcare Human Resources Administration (ASHHRA) recently convened a forum on the role of human resources in advancing operational efficiencies and effectiveness.² This group concluded, among other things:

- Health care delivery is shifting from a dependence on individual expertise, to a reliance on coordination and collaboration; so

- Organizational culture must change to place a greater emphasis on teamwork and coordinated care; and
- This begins with the ability to hire the right people.

As an example, many hospitals are turning to Lean, Six-Sigma or Toyota Production System to improve operations, but they miss the broader context. Michael Hoseus, co-author of the bestseller, *Toyota Culture, The Heart and Soul of the Toyota Way*, notes that, “Most companies miss seeing the blood flow of TPS – the human resource philosophies and strategies that make it work at Toyota.”³ The process is successful because Toyota hires people who have the capacity to succeed and contribute to the desired culture. Healthcare, on the other hand, has been so focused on clinical and technical skills that hiring practices have neglected the behaviors that are now required for success.

Health care leaders are asking their workforce to perform critical tasks for which they have not been trained. The hiring process does not assess the required competencies. Everyone must encourage new ideas and explore different approaches, thinking in non-traditional ways to accomplish tasks with the patient in mind at all times.

Attention to behavioral competencies is almost non-existent in the classroom and clinical training of healthcare professionals. The same is true for the hiring process. The bottom line is that some people have these competencies and thrive in a high-performance environment and some people do not. It is critical to be able to differentiate between the two in the hiring process.

The Solution—Comprehensive Talent Systems

Healthcare must make wholesale changes to hire talent at every level that will thrive in a continuous improvement environment. Practical implementation of these changes, however, presents a unique challenge. Many organizations have a complicated tangle of un-validated tests, competency profiles, recruiting methods, interviewing approaches, tracking systems and undocumented hiring processes. Complicating matters is healthcare’s obsession with job titles. Many healthcare organizations have hundreds, if not thousands, of job titles and human resources is left to figure out how to organize them and provide consistent staffing.

Consequently, over many years, as hiring needs arise, ‘stuff’ is added until selection consists of an unwieldy array of individual

hiring approaches, some good, some bad, and others - a compliance nightmare. In the end, hiring managers feel frustrated and HR struggles with key metrics like turnover, time to hire, cost per hire and applicant quality.

There are three steps that need to take place in any healthcare organization to consistently match talent to culture:

Step 1: Classification & Competencies – Hundreds, and in some cases, thousands of job titles must be classified into six to 10 healthcare levels. Each level has a set of competencies that will define performance and culture. As these competencies are used for selection, promotion and performance management, the healthcare organization’s talent takes on a transforming quality and the speed of change is greatly increased.

Step 2: Process & Selection Tools – Each hiring level must have a defined process that includes recruiting, hiring steps, hiring manager involvement, HR involvement, decision criteria, documentation requirements and expected turnarounds. Each hiring process is populated with validated evaluation content which may include web-based applications, resume screening, prescreening testing, in-depth assessments, interviewing and background evaluations.

Step 3: Communication & Tracking – The enterprise hiring system must be web-based and integrate seamlessly into an existing Applicant Tracking System, HRIS or used as a stand alone. While today’s ATS’s are strong tracking systems, they are at best, mediocre at controlling the hiring process, managing competencies and applying predictive selection tools.

The solution begins by realizing that we must stop trying to address individual hiring needs but rather address hiring as an enterprise-wide application across the entire organization. From housekeeping through senior administration, the goal must be to define performance and then replace the existing patchwork system of hiring with clear processes, norms, validated evaluations and tracking. Then we can begin to transform our workforce to meet the demands of a rapidly changing healthcare system.

1. Thomas H. Lee, MD, *Turning Doctors into Leaders*, [Harvard Business Review](#), April 2010.
2. ASHHRA Thought Leaders Forum, *Summary of Findings*, July 23, 2009.
3. Liker and Hoseus, *Toyota Culture, the Heart and Soul of the Toyota Way*, forward, McGraw-Hill, 2008

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