

Choose the ‘Good Jobs’ Strategy

By Barry P. Chaiken, MD, FHIMSS

For more than half a century, provider organizations had a free ride. Unlike other industries that faced rapid disruptions in their markets requiring constant adjustment to survive, healthcare has been fairly stable and predictable. As provider organizations expanded services, governments and private industry paid the ever-increasing cost of supplying those services to their beneficiaries or employees. Now, as spending on healthcare passes 18% of GDP, costs matter. Provider organizations that previously balanced budgets simply by raising prices or increasing the volume of services provided, face resistance to these revenue enhancing measures.

As labor approaches 60% of hospital costs, many organizations look to decrease those costs to meet budgetary targets. These organizations are at a crossroads. Do they follow the strategy path toward good jobs or bad jobs?

Zeynep Ton, a professor at the MIT Sloan School of Management, studied service industries to better understand the two labor strategies companies use to make money. In *The Good Jobs Strategy* (2014), she describes the “bad jobs” strategy as one that succeeds at the expense of employees. These jobs offer low wages, scant benefits, and erratic work schedules. They are designed to make it hard for employees to perform well or find meaning or dignity in their work. Companies that follow this strategy will do anything to keep prices low.

Ton also describes a “good jobs” strategy where jobs provide decent pay, benefits, and stable work schedules. Employees can perform well, and finding meaning and dignity in their work. Despite spending more on labor than their competitors in order to have a well-trained, motivated staff, these companies generate profits equal to or exceeding those of companies following the bad-job strategy. In addition,

they are also able to compete on price.

In addition to investing in people, the good-jobs strategy requires an investment in great operational design. Ton writes:

Making a retail store, or any service environment, hum requires not only employees who are capable, knowledgeable, motivated, and sufficient in number, but also close attention to the design of operations—what those employees do all day and how they do it.

Which path?

Following the bad-jobs strategy in retail delivers shoddy products and services. Although inconvenient and frustrating, the end results are mostly manageable. In addition, many consumers may overlook such service and product shortcomings to obtain the lowest price.

In the healthcare industry, delivering poor services may lead to chronic illness, increased morbidity, or even death. Therefore, provider organizations pride themselves on striving to deliver the best and safest care possible. This focus is reflected in their television commercials, radio spots, and print ads where the organizations try to compete on perceived quality while rarely if ever mentioning price.

Yet, during the current era of decreasing reimbursement and pressures to reduce costs, the luxury of ignoring the cost of labor no longer exists. Provider organizations, for the first time, are now forced to choose between a good- or bad-jobs strategy, with many leaders unaware of the available options.

With great risk, many organizations are choosing a bad-jobs strategy to address labor costs. Rather than retain experienced staff at higher wages, some organizations take steps to encourage the departure of highly paid, experienced nurses and replace them with less expensive, less skilled substitutes.

For example, some organizations revoked the privilege held by tenured staff to choose non-rotating shifts and now force them to endure disruptive day-night rotations in the hope that these nurses would reject this inconvenience and resign.

In addition, despite escalating patient acuity, some organizations assign fewer staff members to care for patients, arbitrarily increasing nurse workloads. That puts the ability of staff to provide safe and adequate care at risk. That approach to controlling labor costs increases the likelihood of medical errors and associated patient harm.

Pursing a bad-jobs strategy in healthcare offers no long-term benefits and drives patients to question the ethical, moral, and professional standards of an organization.

Choose good

Embracing the good jobs strategy gets back to the core values and processes that deliver exceptional patient care. Clinical staff require proper training, equipment, and a comfortable working environment. Effective, evidence-based processes, guidelines, and workflows ensure consistent clinical and financial outcomes. Assigned clinical workloads match staff capacity to patient needs.

There are workload tools that rely on medical evidence to understand the details of each potential clinical activity required by patients during a hospital stay. Individually, these clinical activities demand a variety of clinical expertise, licensing, and training to be completed.

Driven by patient data and physician orders in the electronic medical record, these systems interpret the clinical needs of each patient on a ward and tally up the workload requirements. The system then matches the workload with the capacity of each nurse. That allows the equitable distribution of workload among available

nurses and identifies situations where patient workload needs exceed or are under the capacity of the available staff. When used prospectively, this allows managers to adjust staffing real-time to match patient needs as driven by their clinical condition. It also can identify potential areas for increased efficiencies and process improvement.

Using an evidence-based approach to assigning nurse staff provides great analytical value. The transactional process collects both clinical and staff performance data as part of its daily use. This data can then be analyzed to determine best practices or workflows that require refinement. As clinical techniques evolve, regular review of the data identifies opportunities for process improvement. This may include the reassignment of clinical responsibilities to less expensive staff who can be specifically trained for the task.

In addition, a good-jobs strategy requires exceptional operations. That starts with hiring the right people with the right “behavioral DNA,” who are most likely to excel in their work. Matching candidate behavioral tendencies to the department profile generated by those already working in a position increases the likelihood that the new hire is placed in the right position in the right department.

Providing staff with information technology tools that match workflow and offer up actionable analytics empowers staff to efficiently and effectively complete their assignments. Tools that mimic the ease of use of consumer technology encourage workers to effectively apply the technology.

To deliver high-quality, safe, and effective medical care, healthcare provider leadership must embrace the good-jobs strategy. Perhaps unlike other industries that may be able to survive poor

customer service, increased wait times, and inexperienced personnel, healthcare cannot be done on the cheap. Only by partnering great people with great operations can we deliver great care. |

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