



WORKFORCE PLANNING DRIVES HEALTHCARE OUTCOMES

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POSITION

Simply put, healthcare organizations that don't already have a workforce planning strategy in place need to get one. Those who do develop workforce plans need to expand their efforts in order to become more resilient and more anticipatory. Organizations that don't effectively develop and use workforce plans will face skill shortages, staff misalignments, and the inability to innovate or adopt new technology. All of that coupled with the increase in healthcare demand ultimately leads to a decline in provider profits and the quality of patient care, due to their inability to serve the growing and changing community and patient needs.

Workforce planning provides both strategic and tactical benefits. At the strategic level, organizations can better anticipate the skills they will need in the future, as technology and practice evolve. Tactically, workforce planning can help organizations better balance their staff so that nurses, for instance, are available to match demand without having to pay premium contractor RN rates to address vacancies. Workforce planning in itself will not make a hospital, medical office, or other practice more innovative or a better place to work. It will identify which talent, skills, and capabilities will be required to meet operational and clinical needs, which is a first step toward designing a meaningful work experience.

DRIVERS OF CHANGE: INFORMATION TECHNOLOGY

The healthcare field is being buffeted by change from multiple directions. Demographic shifts are changing the profile of both patients and workers, and the regulatory remains in flux, waiting for elections, court rulings and legislative action.

What does not wait, however, is the pace of technological change. As new technologies emerge, organizations will need to prepare for new clinical and new information technologies. Here are some of the information technologies that organizations need to include in their workforce skill profiles.

- Electronic healthcare records, including the Personal Health Record (PHR).
- Mobile computing, especially tablets.
- Consumer-driven health.
- Collaboration software, including video conferencing and enterprise social networking.
- Employee self-service for HR and internal processes.
- Information management, including e-mail and other communications.

Industry Analysis

CRITICAL PLANNING CONSIDERATIONS

Creating a workforce plan is not easy, but it is essential. Workforce planning forces an organization to become more nimble in the face of uncertainty, to better integrate its strategic objectives into operational practice through training, compensation, and assignment — and it also provides perspectives on hiring and succession planning.

Organizations need to start with a good profile of their current organization. All profiles should include the following basic information:

- **Demographics**
 - Age
 - Race/ethnicity
 - Gender
- **Skills/Competencies**
 - Training
 - Licenses
 - Education
- **Critical Job Roles**
 - Location
 - Tenure
 - Performance
 - Compensation
- **Current Capacities and Patterns of Practice**
 - Productivity
 - Physical environment
 - Geographic location
 - Services provided
 - Mix of hours (direct care, non-direct care and administration)
 - New technologies being adopted (administrative and clinical)
 - Data collection instruments

This information forms the basis for the planning model. Even if it is not put directly into a model, seeing that information in one place creates a context that can be used to better evaluate the current organization and understand where the gaps are in executing on the organization’s strategic vision. Without a comprehensive view of the current situation, it is not possible to take meaningful action on a known issue, or to create even the most rudimentary plans.

Industry Overview

The U.S. Bureau of Labor Statistics (BLS) projects between 2008 and 2018 there is a high likelihood of strong growth in healthcare and related fields. Within this period, the healthcare sector may grow by as much as 23%. That means 3 million new jobs between 2008 and 2018. Other sectors face a cumulative growth anticipation of 9%. Health practitioners and technical healthcare occupations may increase by 21.4%, resulting in 1.6 million new healthcare jobs, while healthcare support occupations may reach 28.8% growth or 1.1 million new healthcare jobs.

Bureau of Labor Statistics.
<http://www.bls.gov/oco/ocos074.htm>
http://www.bls.gov/soc/2000/soc_j0a0.htm

As plans become more sophisticated, they need to include external information that develops a richer context and helps inform scenarios and action plans. It is also critical for organizations to incorporate external data, with benchmark comparison against their workforce trend analysis, current local and national needs (like local demographic changes,)

and emerging and chronic health risks. Modeling the provider pipeline from access to education to licenses, and applicable intrastate transferability rules can improve planning's anticipatory benefits.

There are a number of other critical changes facing healthcare that need to be considered going forward. Although these areas may not be of immediate concern to your organization, over the next several years they will become important to all healthcare providers.

- Evolving staffing models that increasingly use contractors, contingent staff, and outsourced workers in roles previously held by traditional employees.
- Retail healthcare delivered at pharmacies within drugstores and larger retail establishments.
- Health Self-Service driven by increasingly sophisticated diagnostic and distance treatment options over the Internet.
- Increased use of unpaid or informal caregivers and non-traditional institutions.
- Health promotion and wellness, along with alternative treatment options like Traditional Chinese Medicine, homeopathy and natural medicine.
- Personal responsibility in managing healthcare.
- Peer-to-Peer healthcare communities emerging over the Internet.
- The rise of personal bio-monitoring technology.

These changes suggest the need to imagine, and to model, workforce demand in flexible and resilient ways. Long term strategic plans that have static assumptions of an organization's workforce profile are inadequate, even dangerous, as sources for strategic workforce planning considerations. True strategic workforce planning allows for the creation of plans that can be updated regularly, reflecting current assumptions about the healthcare environment as well as local realities.

Peer-to-Peer Healthcare



The Pew Research Center issued a report on Peer-to-Peer healthcare with the California HealthCare Foundation. They found that 1 in 5 Internet users went online to find people with similar conditions to those they experience. For chronic diseases, like high blood pressure, diabetes, heart conditions, lung conditions, cancer and others, 23% of the survey respondents sought community through the Internet. This suggests the need for social media engagement where healthcare providers can join these communities to offer advice and guidance. Not only will future workers require healthcare knowledge, but they will need to understand social media technology as well as the legal

restrictions on what they can and cannot offer as guidance in a public forum. Workforce plans that do not include these skills will result in organizations unable to engage with patients and potential patients through PatientsLikeMe.com.

Source:

Peer-to-Peer healthcare

Pew Research Center's Internet & American Life

[Projecthttp://pewinternet.org/Reports/2011/P2PHealthcare.aspx](http://pewinternet.org/Reports/2011/P2PHealthcare.aspx)

But good planning doesn't just consider changes to the healthcare profession when defining scenarios and deciding demand—they include a deep understanding of the external factors that create demand and effect resourcing within the workforce regardless of industry. Some of these issues include:

Key Workforce Planning Issues Within Healthcare	
<ul style="list-style-type: none"> • The prevalence and incidence of disease in a population driven by demographic, lifestyle, or environmental issues. 	<ul style="list-style-type: none"> • The arrival of new diagnostic techniques.
<ul style="list-style-type: none"> • Mergers and acquisitions that change the organizational profile of local healthcare delivery, creating a combination of organizational efficiencies and new bureaucracies. 	<ul style="list-style-type: none"> • Payment and incentive models designed to encourage healthcare providers to deliver one type of service or treatment over another.
<ul style="list-style-type: none"> • Increased expectations for transparency and sharing of information as electronic health records and personal health records offer patients more access to their own health histories and profiles. 	<ul style="list-style-type: none"> • New education, licensing and regulatory conditions driven by the transparency of healthcare worker outcomes and errors.
<ul style="list-style-type: none"> • Public and private insurance and funding that limits or expands access to healthcare. 	<ul style="list-style-type: none"> • The emergence of new information technology, cybernetics and pharmacological technologies for treating various diseases and ailments.

Aging as a cause for increasing patient loads is not listed above, as it requires special consideration. Demographic models clearly describe how many people will exist in each cohort over the next ten, twenty, even fifty years. That demographic information, however, is useless because the impact on healthcare of an aging population is not an independent variable. How people choose to live—what lifestyle choices they make, how engaged they become in taking responsibility for their own healthcare, matter a great deal to the ultimate impact of aging on healthcare. Combine that with personalized variations in choice, economic factors that evenly or unevenly distribute access and localized environmental issues, and the idea of aging becomes a very complex matter. Assumptions cannot be made simply by counting the cohort, correlating it to local population and extrapolating. Good workforce planning will require an understanding of local variations and local drives, both of which will affect the individual choices healthcare organizations will need to make in staffing and skills to meet the needs of their local populations.

Aging as it relates to the supply side of the planning model, however, is much clearer. Although the Great Recession has forced many to re-evaluate their careers and to extend their working lives, at some point, older people will leave the workforce, leaving gaps in knowledge and experience that can't be offset with new energy or even knowledge of new techniques. Healthcare organizations need to not only understand who is leaving them, but what knowledge, skills and cultural attributes depart with the employee.

All organizations need to keep these strategic planning considerations within view, even if they aren't yet integrated into the formal modeling process. Uncertainty is a fact of planning, and organizations who ignore uncertainty more often than not make the wrong strategic choices in a number of areas, not the least of which is who they hire and what skills they expect the organization to master. In a world fraught with uncertainty, it

is critical to name uncertainty and think about its potential ramifications rather than ignore it or assign it a single value. Scenario-based planning should be considered a component of your workforce planning in order to develop multiple ways to view the impact of uncertainty on the workforce.

HEALTHCARE MODELING ISSUES

Modeling the healthcare workforce is not easy. Much of the data required to build strategic models is difficult to obtain and suffers from inconsistencies in representation and quality.

That does not imply that healthcare organizations should defer creating workforce planning capabilities, only that they manage their expectations effectively. This also implies that organizations should concentrate on tactical, not just strategic issues as they begin a planning journey.

Rather than trying to incorporate strategic issues into early modeling, keep those issues close and use them as a filter for the results; tempering any clear result with an examination of uncertainties makes for more realistic, and more cautious planning, but it also identifies gaps that can be used to drive the next level of investment in data collection and modeling.

Perhaps most important in a discussion about healthcare modeling issues is the need for national and international sharing of data that can improve the overall efficacy of strategic workforce planning in healthcare by openly sharing data and working with local colleges and universities to create better models of healthcare worker supply, for both younger students and those engaged in retraining efforts.

SOLUTIONS

Engaging in workforce planning will benefit from a variety of outputs and outcomes. Without a comprehensive workforce plan, how people are compensated, what training they need, who and what skills are recruited for, and succession plans assigned can be random or political, even neglected.

COMPENSATION PLANNING

It is important that compensation planning be conducted well, and that it be done fairly by being calibrated across the organization. Organizations that want to retain their top performers need to create clear definitions of performance, and capture real, credible data about how people perform. Planning systems need to take into consideration base salaries as well as variable pay. Workforce planning systems can also help manage the equitable use of budgets, facilitate what-if modeling and reduce compliance risk.

LEARNING MANAGEMENT

With rapid shifts in technology and practice, organizations need to effectively manage employee learning programs. Workforce planning can provide a clear view into the skills and competencies needed to execute on strategic objectives. Those identified gaps should dictate learning and development program investments, along with individual learning plans, so employees can effectively add or enhance the right skills for current and future job assignments. Learning management should also suggest informal learning and mentoring

opportunities, all driven by an organization-wide view of skills and skill distribution, including certification management and training needs assessment.

In addition to skill planning and knowledge assessment, organizations should consider planning systems that integrate well with learning and content management systems, so the results of learning experiences can easily be captured by the workforce planning model.

RECRUITING

Hiring the right people is as much about knowing what you need as it is about managing the dialog with candidates. Organizations that don't create good workforce plans won't know who they need until it's too late, often forfeiting the best talent to competitors. And if the wrong hire is made, organizations can face multiples of the individual's salary to compensate for that error—the Cost of Turnover is a key metric for healthcare organizations to monitor. Organizations that plan effectively go beyond the identification of skills or roles with clear intent to create programs that attract and select the best talent, engage recruits effectively, and offer a world class onboarding and work experiences in order to realize the talent investment.

SUCCESSION PLANNING

With aging populations and competition for talent, even the best organizations lose people. A comprehensive workforce plan needs to identify at-risk employees and model their experience, expertise, performance, and successor readiness in order to avoid threatening the efficacy of treatment or the continuity of the business. Good succession planning also means calibrating performance across the organization so the right people are aligned and prepared to move into leadership roles when an opportunity or necessity arises.

AN INTEGRATED VIEW OF THE WORKFORCE

A workforce planning solution needs to include integrated data, reporting, and collaboration. The less integrated the solution, the less integrated the results. Beyond compensation planning, recruiting, learning, and success planning, integrated systems need to include performance management, workforce planning, and collaboration. Analytics are critical within each system capability, and across the capabilities in order to provide an enterprise level view of the workforce and to provide insight into the effectiveness of the planning discipline itself.

The following graphic illustrates an end-to-end integrated talent management framework at a conceptual level.



Source: Success Factors/SAP

Organizations that want to better manage their workforce tactically and strategically need a system that offers a rationalized data model, tools that support the organization as it evolves its workforce planning capabilities, and one that helps effectively manage the collaborative and iterative nature of planning work.

DESIGNING THE WORK EXPERIENCE

Healthcare organizations must consider the interest and participation rates of potential healthcare workers. This planning variable becomes a marketing and organizational challenge, not one driven by changes in healthcare, regulation or any other external variable. If healthcare is to attract and retain talent, they need to create attractive work experiences and provide functional management policies and practice that result in an engaged workforce. Long hours and unbalanced schedules result in healthcare support reporting the highest ratio of annual absences by any working population at 4.5% according to the BLS. Even the most sophisticated planning won't create a great work environment—and without a great work environment, the most accurate planning will be undermined by increased absences, high turnover and less than engaged employees.

The book *Management by Design* (Daniel W. Rasmus, Wiley, 2010) offers a methodology for designing work experiences. The book posits that although organizations invest in experience design, there is a lack of balance between customer experience design, and the design of work experiences.

Workforce planning is an area that typifies this imbalance. Many organizations hire outside firms to create deep and meaningful studies on the customer, looking at everything from the design of lobbies to the web experience. Although employees may receive satisfaction surveys, those surveys don't capture work experience information from a first principles design perspective. The work experience data is all too often guided by the treatment of symptoms, rather than how a system, or a design, can be improved overall.

At the core of the methodology, *Management by Design* focuses on applying flexibility, equitability, simplicity and forgiveness to space, technology, and to policy and practice. Workforce planning reflects a key element of good work experience design. It helps create the hypothesis for what a good work environment will look like and then attempts to create a model that fulfills that design. The design outcome seeks to identify skill gaps, organizational imbalances and missed expectations. Once identified, those elements can be better managed.

CONCLUSION

How does workforce planning drive healthcare outcomes?

- Workforce planning ensures that healthcare providers deliver the right skills to their patients to meet the needs of current standards of care.
- Workforce planning helps balance the mix of workers and skills, creating a better work experience for all involved.
- Workforce planning offers a critical strategic perspective that can drive relationships with colleges, universities and trade associations, as well as with organizational design and branding, both of which make the case for why talented individuals want to offer their skills and their time to any particular institution.

Perhaps the most important reason to invest in workforce planning comes from the realization that just saying people are important, doesn't create behaviors that prove the rhetoric. Organizations that employ workforce planning are making a financial investment, and an investment in time and process, that reinforce their belief that the best people produce the best outcomes. Organizations that wait to develop comprehensive workforce plans run the risk of being passed by as the healthcare industry continues to evolve. Those who embrace the promise of workforce planning to anticipate and align their needs, to prepare workers for tomorrow's demands, and to design more attractive work experiences, will likely be better places to work and deliver better healthcare outcomes.

About the Authors

Daniel W. Rasmus



Daniel W. Rasmus, the author of [Listening to the Future](#), is a strategist and industry analyst who helps clients put their future in context. Rasmus uses scenarios to analyze trends in society, technology, economics, the environment, and politics in order to discover implications used to develop and refine products, services and experiences. His latest book, [Management by Design](#) proposes an innovative new methodology for the design workplace experiences. Rasmus's thoughts about the future of work have appeared recently in *Chief Learning Officer Magazine*, *Government eLearning!* and *KMWorld*. Rasmus is an internationally recognized speaker. He has addressed audiences at CeBIT, The Front End of Innovation, The National Association of Workforce Boards, ProjectWorld, KMWorld, The CIO Association of Canada, and Future Trends. He writes regularly for *Fast Company*, *iPhone Life* and *PopMatters*. Rasmus is the former Visiting Liberal Arts Fellow at Bellevue College in Bellevue, WA where he continues to teach strategy and social media.

Rana Hobbs



As the Senior Director of Workforce Planning at Aasonn, Ms. Hobbs leads the team in implementing WFP technology to enable the execution of strategies while also providing the strategic advisement necessary for its adoption. Ms. Hobbs has more than 15 years of experience with prominent Human Capital Management (HCM) solution providers, including SuccessFactors, Infohrm, CLC, and IDC. She has led client service teams focusing on account management, business strategy and human capital alignment, SaaS technology and implementation, and change management design and execution. Ms. Hobbs is a recognized subject matter expert and best practices champion in workforce planning, reporting and analytics. As such, she is also an in-demand speaker at HR.com, IHRIM, SHRM, and other industry events. Ms. Hobbs has a Bachelor of Arts degree from Wellesley College.

THE TENS: WORKFORCE PLANNING RECOMMENDATIONS

1. **Data Integrity.** Maintain data integrity through consistent definitions by aggregating systems of record into a single source with business rules that reflect how the business runs and needs to analyze data. Monitor workforce trends to use toward predictive analytics.
2. **Centers of Excellence.** Create a center of excellence by providing dedicated resources for HR metrics. Automate basic reporting and querying needs in order to reallocate resources and time. A focus on staffing analytics and better understanding human capital information needs allows organizations to move from data collection to actionable analytics.
3. **Involve all Stakeholders.** Identify different stakeholders and users of data and address potential points of resistance and specific requirements so as to configure systems and define requirements before rollout. Maintain definitions and standards to always reflect how the business is run.
4. **Data with a Business Perspective.** Present data with a business perspective to ensure key messages are appropriate, timely, and actionable and that they are delivered in the rhythm of the business and its planning cycle. Data should inform and influence strategic and planning decisions.
5. **Capture Supply Side and Demand Side Factors.** Organizations need to capture all relevant workforce planning factors for both the supply side and demand side of workforce planning. Even if all of these factors aren't included in the formal model, leaders and planners need to be aware of them in order to better judge recommendations in the complex, rapidly changing environment they face.
6. **Scenario-Based Planning.** Employ scenario-based planning as a way to manage uncertainty. Create scenarios that reflect a range of possible futures rather than writing off the uncertainty, or assigning it an arbitrary value.
7. **Design Your Work Experience.** As you survey your local workforce environment, take special note of areas where the organization can improve its appeal to current and potential workers. Design work experiences that attract and retain talent.
8. **Invest in Comprehensive Workforce Planning Technology and Support.** Even if the initial use of planning results is tactical recommendations, underinvesting in the workforce planning technology and consulting result in an inability to expand the planning process and data integration to meet growing organizational requirements, while also maintaining consistency in reporting and analytics.
9. **Work with Local Colleges and Universities.** Develop programs that help meet workforce supply needs, as well as projecting the employment attributes that make healthcare jobs an appealing professional pursuit.
10. **Communicate Effectively.** Workforce planning is not just about the business, but about the people in the business. Creating effective communications plans that demonstrate the benefits of workforce planning will help create a better environment, generate more accurate data, and help people understand decisions based on workforce planning recommendations.

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