THOMAS CONCEPT
The Leader in Healthcare Culture Transformation

This article is based on a speech given by Dr. Thomas on June 2, 2008, to the annual Chairperson & CEO Conference sponsored by The Governance Institute.

Solving the Healthcare Workforce Shortage Problem

Tommy Thomas, PhD

The healthcare industry is facing a looming workforce shortage that will increase steadily over the next several years. That's the bad news. The good news is that this does not have to be a problem for healthcare organizations that don't want it to be. There is something that you, the leaders of healthcare organizations, can do now that will ensure that your organizations will thrive while most other healthcare organizations struggle with this challenge.

Through my research into the healthcare job market, I have run across numerous studies that attest to the looming workforce shortage, and here are two representative examples I want to share with you.

The American Association of Medical Colleges (AAMC) Center for Workforce Studies (CSW) conducted a study for the American Society of Oncology (ASO) in 2006. The study concluded that, by 2020, there will be a demand shortfall for oncologists of 20% to 32%. 20 to 32 percent – that's huge.

In April 2006, officials with the Health Resources and Services Administration conducted a study on the nursing shortage. They found that the demand shortfall for nurses was 6% in 2000 and 10% in 2005. They projected that the demand shortfall will increase steadily and reach 36% in 2020. Now you can begin to see the magnitude of this problem for you. 36% – again a huge number.

In an ideal world in which there are plenty of people that want to work for you, attracting and retaining employees is not your biggest

challenge – there isn't a pressing need to be a sticky organization. But you don't live in that ideal world. The healthcare industry is facing an increasing workforce shortage, and you are going to be competing more and more for the increasingly scarce resource of talented workers.

One way that you meet the challenge of the workforce shortage is by taking action now to transform yourselves into sticky organizations.

Now you are probably asking yourself what it takes for an organization to become sticky. In order to know how to become sticky, you have to know the answer to 3 questions:

What attracts people to work for a specific organization?

How do you communicate your vision?

How do you build a community?

Let's talk about attraction. Recently I met with the CEO of a new 200-employee hospital. During our initial conversation, I asked him what his biggest need and biggest goal were. His answer to his biggest need was immediately forthcoming – more patients. But he said his biggest goal was that he wanted his hospital to become the *employer of choice* in his market area – to be chosen by members of the available workforce to work at his facility rather than another competing facility.

Do you see how this concept of becoming the employer of choice feeds right into the workforce shortage challenge? Becoming the employer of choice is really part of being a sticky organization – you attract talented and skilled people to work in your organization. This is a good way to talk about your goal in attracting people to you – to become the employer of choice in your market area.

To understand how to become the employer of choice and thus be on your way to transforming yourselves into sticky organizations, you have to understand first what it is about an organization that makes people in the workforce choose to work for that organization rather than another. So the first question you have to answer in order to become a sticky organization is "What attracts people to work for a specific organization?"

My research into this question has led me to studies that produce long lists of what employees look for in an organization. What I discovered coincided with what I have experienced in my career. Of course, money is important, and this is usually couched in terms of salary and benefits. But did you know that money usually winds up about fourth on the list? We know from past studies that salary and benefits are always important but they are a kind of given. All organizations offer these. Money is not the primary differentiator in where a person chooses to work.

To answer the 1st question of what attracts people to work for a specific organization and understand how organizations can set themselves apart from their competitors, you have to know what people want from their work and from their employer. The number one factor that makes people want to work for a specific organization can be summed up in this phrase:

People want to work for an organization that offers them the ability to do personally meaningful work as an integral and valued part of an organization that is committed to achieving a worthwhile cause.

This is so important that I want you to read it again.

People want to work for an organization that offers them the ability to do personally meaningful work as an integral and valued part of an organization that is committed to achieving a worthwhile cause.

Let's look at the *worthwhile cause* part. What organizations need to do is to offer a clear vision of an idealized future that is appealing to the workforce. This clear vision *is* the worthwhile cause. The importance of a vision statement is that it taps into people's innermost desires to do something valuable and significant in the world and makes them believe that *your* organization is the vehicle through which they can accomplish that.

That vision must be communicated throughout the organization so that everyone in the organization owns it, believes in it, and behaves on it. This sharing of a common ideal is galvanizing. That leads me to the 2nd question you must answer in order to become a sticky organization: "How do you communicate your vision?"

There are two ways that today's organizations are different from the past that affect how you communicate your vision.

The first is *where the information is*. Organizations today are less rigidly organized than before and must be led differently than a traditional hierarchical organization. In a traditional hierarchical organization, the person at the top had all the answers and simply had to let everyone else know what to do. Then information would filter back up for this person to make more decisions, and the process repeated. Now organizations are flatter with fewer levels and more people on the same level. They follow the behavior of complexity science – the science of the non-linear and unpredictable. The role of the leader is to coax out the information and see that it is shared as widely as possible with those for whom it is important. The people in the organization make more and more of the decisions because they are closer to the problem and have the information they need. The leader is more of a coach and less of a general.

The second is *who communicates with whom*. In a traditional hierarchical organization, people are tacitly or openly restricted to communicating with the person they report to, peers, and direct reports. They are hardly encouraged to create real relationships, and they are admonished to adhere to the organizational structure. In a flat organization, the opposite is true. In a flat organization, people should be encouraged to create relationships throughout the organization and to communicate as freely and openly as possible with as many people as possible. This network of relationships is what provides the strength to a flat organization and gives it its agility to quickly solve problems as they come up. With the accelerating rate of change, problems will come up with greater and greater frequency. And in these flatter organizations, relationships – personal relationships – are king.

I know what you are thinking. Relationships traditionally have been considered soft issues, relegated to personal matters, unrelated to the running of a business ... a hierarchical business. But the success of a flat organization is dependent on the quality and quantity of relationships among all its members.

So, in order to spread your vision throughout your organization, one of your primary tasks as a leader of your organization is to have and encourage the creation of quality personal relationships.

The quality of relationships is important but so is the quantity. In order to create a sticky organization, you must encourage as many people to create as many relationships with other stakeholders as possible. This includes *all* stakeholders in the organization – physicians, nurses, other medical staff, administrators, executives, volunteers, board members, patients, customers, suppliers, and clergy. The more relationships there are, the better.

What you are doing when you encourage multiple connections within your organization by encouraging as many positive personal relationships as possible is that you are creating a community. Your vision is then shared throughout the organization. This becomes the catalyst that begins to create the feeling of belonging – of being an integral and valued part of the organization – the other part of what people most want in working for a specific organization. Community is what *keeps* people in the organization – this is the essence of retention and the major factor that drives down voluntary turnover.

When you create this network of relationships through which the vision is shared, you are beginning to create what I call a sticky organization. A sticky organization is an organization that people are drawn to, and, once there, they stay. They are inoculated against the recruiting efforts of other organizations because their most basic need is satisfied – they are part of an organization that is offering them meaningful work to accomplish a worthwhile cause and they are an integral and important part of that organization. That leads me to the third question you must know the answer to in order to become a sticky organization: "How do you build a community?"

In order to build a true community in your organization, you must not only create a network of relationships, but the relationships must have certain qualities. I am going to use a phrase that I believe best sums it up – you create a *network of equal and respectful relationships* among as many stakeholders as possible. And when the relationships are equal and respectful, people don't *think* but *know* that they are an integral and valued part of the organization.

And the network starts at the top. I have had a lot of experience talking with decision makers in organizations, and I can tell you that many of them have had the disheartening experience of instituting *programs of the month*. A *program of the month* is a leadership

program or other activity at its heart intended to create a community in an organization but which started out strong and then quickly petered out. Often the failure of these programs is not due to the program itself but in how it was implemented. I can tell you that just about any program that is instituted without support and involvement of the people at the top of the organization – the board, the CEO, and the top executive team – will not succeed in creating organizational change. People are not willing to give themselves to something that is perceived as being for them but not for those at the top. So any effort at building a community begins at the top – the board and the C-suite executive teams own the vision of the organization and communicate it constantly in their words and actions. This is when the other stakeholders in the organization begin to pay attention.

But too many efforts at building community don't include all the stakeholders in the organization. Many times training efforts start at the top and take in the top levels of management and then stop on the assumption that only the most important decision makers are worthy of inclusion. To create a community, the effort must be both *top down* and *bottom up*. That means that all stakeholders are included – the board and the top executive team for sure but also all the hourly workers and volunteers as well. Everyone from the CEO to the hourly workers must share the same common language of communication.

The way that you communicate this vision is through individual personal relationships. Everyone feels that they can talk with anyone else in the organization – the community – and that they will be respected and listened to in that relationship. Now realize that I didn't say that there had to be constant communication going on between everyone – everyone has limited time – but there must be that understanding that it *could* go on.

So what does an equal and respectful relationship look like?

Equal and respectful relationships are those in which both people in the relationship have an attitude of equality toward the other and that they recognize and value their differences through a changing amount of being assertive and being reserved. These relationships are based on valuing each person's strengths on both a personal and professional level. The network is composed of all employees and stakeholders – from the board down through the executive teams all the way down to all the hourly workers.

So let me summarize what I have said so far.

1. The healthcare industry is facing an increasing workforce shortage.

2. Sticky organizations attract and retain employees.

3. Organizations become sticky by offering people the opportunity to do personally meaningful work as an integral and valued member of the organization and being committed to a worthwhile cause.

4. Becoming a sticky organization will solve the healthcare workforce shortage problem for you.

The workforce shortage in the health care industry is real and getting worse. Transforming yourselves now into a sticky organization is one way that you can ensure that employing a talented workforce is not one of your challenges in the years to come.

I wish you the best in making yourselves sticky.