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*More work for fewer people?*

# Approaches for a successful HR strategy in healthcare

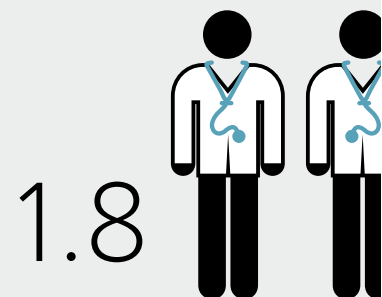
Necessities, challenges and opportunities in recruiting and retaining medical professionals

## Introduction

The operators of healthcare facilities around the world face a huge challenge: as their populations and healthcare needs grow, developed and developing countries alike are struggling to supply adequate numbers of trained, qualified healthcare professionals, especially physicians and nurses.<sup>1</sup> Sourcing, attracting and retaining experienced employees are among the top management challenges globally. Productivity and quality of service depend on an organisation's ability to manage human resources. In addition to recruitment and retention, this refers to appraisal, training, compensation, and motivation.<sup>2</sup>

Additionally, hospitals and health systems face a paradigm shift: they will need employees with new leadership skills to meet the needs of 21<sup>st</sup>-century healthcare models, e.g. advanced nurse practitioners, physician assistants, medical technology specialists, and IT experts for integrating and standardising data from multiple sources.<sup>1</sup>

Generally speaking, caregivers can approach the workforce problem from two different directions: with concepts to increase labour efficiency and by improving their attractiveness as employers.



doctors are practising per 1,000 population globally – but the regional differences are huge. While this number is expected to remain virtually the same until 2018, the uneven distribution of caregivers is a problem.

When hospitals deploy their staff more efficiently, economic productivity increases: they can provide more and better services with relatively fewer employees and thus also reduce costs. Professional development, education and efficient processes are essential levers. So is technology that facilitates collaborative work with tools and automation concepts to increase labour efficiency.

Modern technology also contributes to a hospital's reputation, to increased employee satisfaction and therefore to improving chances of becoming or remaining the employer of choice among the workforce or for potential candidates – the second starting point for addressing personnel scarcity.

But hospitals need to do one thing above all to increase employee satisfaction: »To accommodate the preferences of the multiple workforce generations, hospitals need to replace traditional human resources policies which were applied uniformly to all workers with policies and programmes that include flexibility and choices,« according to a study by the American Hospital Association.<sup>3</sup>

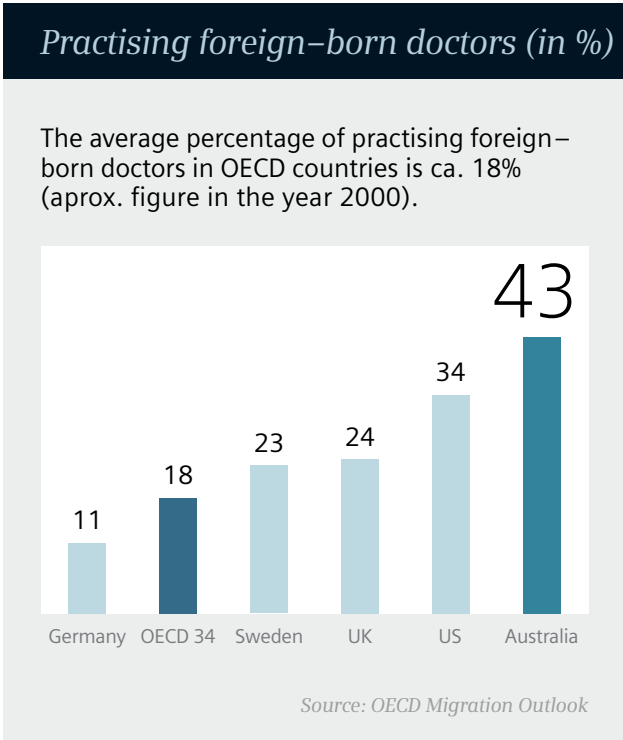
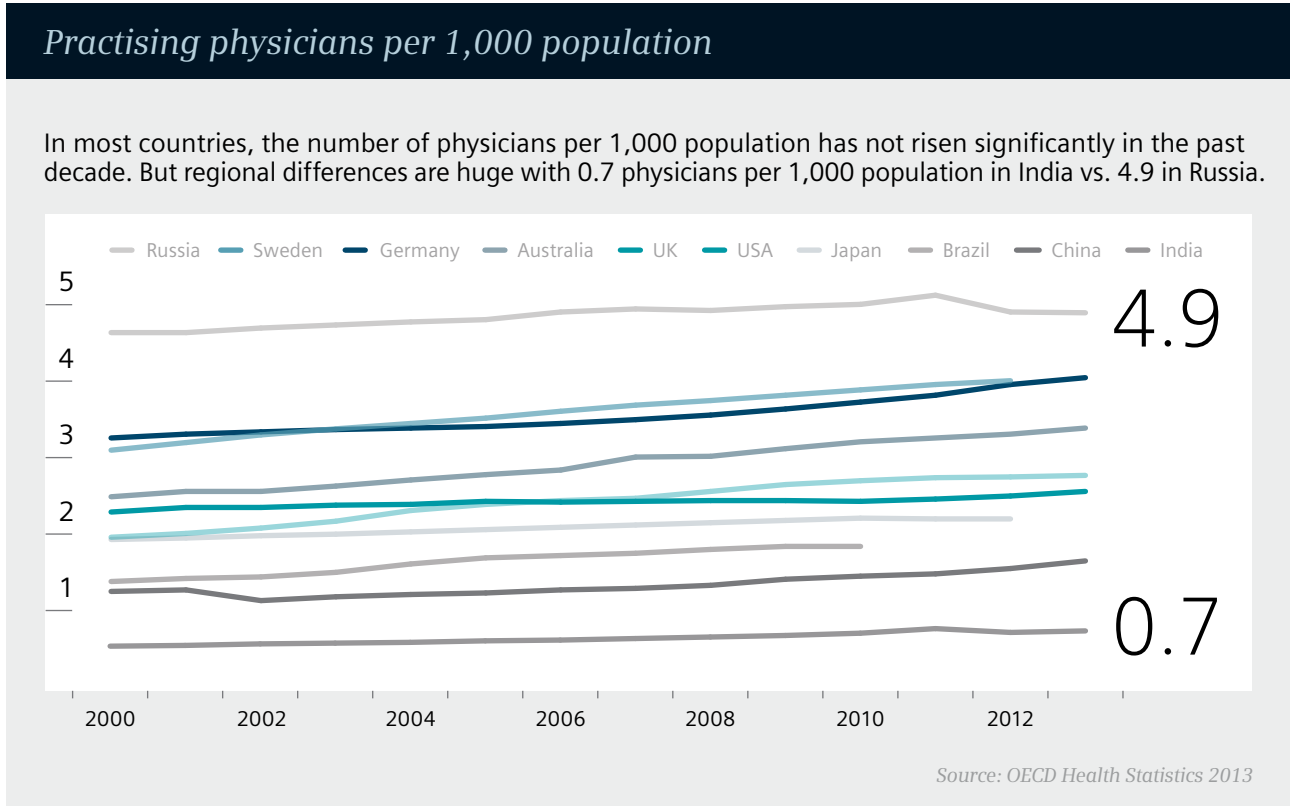
Increasing productivity is not incompatible with higher employee satisfaction. On the contrary: properly designed efficiency measures that are not focused on squeezing working time and longer hours contribute to employee

satisfaction. The reverse is also true: according to research by Dutch psychologist Arnold B. Bakker, work engagement depends on job resources that include social support, feedback, and opportunities for autonomy, variety and growth. Such resources are good for the employee and good for the workplace, because when job resources are rich, work gets done more quickly and with better results.<sup>4</sup>

Staff shortages worldwide

Unemployment is largely unknown in the sector. In Germany, for example, according to the DEKRA Labour Market Report 2015 hardly any other professional group has as many vacancies as nursing. Meanwhile, medical assistants and medical staff are already ranked at #9 in the list of most wanted professions, and doctors at #11.<sup>5</sup> The unemployment rate of nurses in Germany is only about 0.7% and that of doctors 1%. A similar situation exists in the US with an unemployment rate of 0.8% among doctors.<sup>6</sup> The demand for nurses in the US is estimated to increase by 26% by 2020.<sup>7</sup>

Globally, the number of doctors per 1,000 population is expected to remain virtually the same until 2018<sup>1</sup>, with 1.8 doctors per 1,000 population.<sup>8</sup>



So what does the staff problem consist of? On the one hand, in most countries of the world there have been personnel shortages for many years. Secondly, the world population has grown by about 1.2 billion people from 2000 to today<sup>9</sup> – an increase of 20 percent in just 15 years. Thirdly, increased life expectancy increases the average age of patients and therefore leads to higher medical care costs per patient. And finally, the uneven distribution of caregivers is a problem (see »Practising doctors per 1,000 population«, page 2). In India, for example, the healthcare industry needs an additional 1.54 million doctors and 2.4 million nurses to match the global average. This shortage of qualified professionals is one of the key challenges for the industry.<sup>1</sup>

The low proportion of doctors in emerging and developing countries is mainly due to inadequate education systems. An additional difficulty is the large-scale migration of well-trained doctors from these countries, mainly to developed industrial countries (see »Practising foreign-born doctors in OECD countries«). For instance, physicians trained in India account for about 5% of American and 11% of British physicians.<sup>10</sup> For many years, among developing countries India has been the biggest exporter of trained physicians.

Doctors don't migrate only from newly industrialising countries. Germany is the second largest exporter of doctors, after India and followed by the Philippines and China.<sup>11</sup>

By the same token, around 30,000 foreign doctors work in Germany, mainly from Eastern Europe and Austria.<sup>12</sup>

Moreover, medically, technically and economically modern healthcare companies in emerging economies such as India are increasingly managing to attract foreign-trained staff or getting compatriots working abroad to return home. The internationalisation of the medical labour market is undeniable.

People mainly move abroad for financial reasons and better working conditions. For instance, a medical assistant starting work in Germany earns around 46,000 € annually. In Norway, the average starting wage is 58,000 €, and in Switzerland 84,000 €. <sup>13</sup> Meanwhile, in emerging and developing countries, many doctors cannot even feed their families on their salaries and therefore have to do additional freelance work, resulting in extremely heavy workloads.

Political support

Governments around the world have recognised the enormous HR challenges for their healthcare systems - and are responding. In many countries, governments directly influence the level and structure of physician remuneration as a key employer of physicians, as a purchaser of services, or by regulating their fees.<sup>14</sup>

The US government has established a National Healthcare Workforce Commission to review supply and demand and make recommendations regarding national priorities and policy. Also, competitive grants are provided to enable state partnerships to conduct comprehensive planning and carry out healthcare workforce development strategies at state and local levels.

» To accommodate the preferences of the multiple workforce generations, hospitals need to replace traditional human resource policies. «

China has taken action to speed up caregiver training in response to the needs of its rapidly ageing population. The country has also set a target to train six million caregivers by the end of 2020. In Brazil, the government has introduced a programme to hire local and foreign doctors to work in poor and remote areas where there are shortages. By mid-2014 around 15,000 new clinicians had been enrolled – more than three-quarters came from Cuba.<sup>15</sup>

In response to shortages of doctors, some countries have developed more advanced roles for nurses. Evaluations of nurse practitioners from the United States, Canada, and the United Kingdom show that advanced practice nurses can improve access to services and reduce waiting times, while delivering the same quality of care as doctors for a range of patients.<sup>14</sup>

However, there are shortages of nurses as well as doctors. And nurses greatly outnumber physicians in most OECD countries.<sup>14</sup> For example, in the UK the National Health System (NHS) is in the midst of a staffing crisis.

The Royal College of Nursing estimates there are 20,000 unfilled nursing posts across the UK. The Centre for Workplace Intelligence forecasts a shortfall of 47,000 nurses in the next few years. This comes at a time when having the right nurses on board has never been more important as

trusts implement new strategies for improving patient care against a backdrop of cost-cutting initiatives.<sup>16</sup>

Increasing workforce productivity

Achieving more with less – this goal of manufacturing companies also applies for hospitals in their efforts to fulfil their tasks with the scarce personnel available. In the past, they have often made the mistake of primarily getting doctors and nurses do more in less time. The consequence of this is high staff churn, a high level of absenteeism, and low overall employee satisfaction.

In Germany no other industry has more sick days than health professionals (4.5%)<sup>17</sup>. According to a study by Germany's largest statutory health insurance company AOK, nurses have the most burnout-related sick days of any occupational group.<sup>18</sup> And according to a British study, 15% of all sick days in NHS hospital trusts are due to psychological stress at work.<sup>19</sup>

So the aim of effective hospital HR management must be to use staff more sensibly instead of overburdening them with overtime. A decisive factor in achieving this is the optimisation of all processes, improved management of individual competencies, and investment in appropriate technologies that are safe to operate.

Put simply, technology that is easy to use reduces training costs, enables staff rotation, and reduces the pressure of having to hire overspecialised experts for individual silos in the care delivery chain.

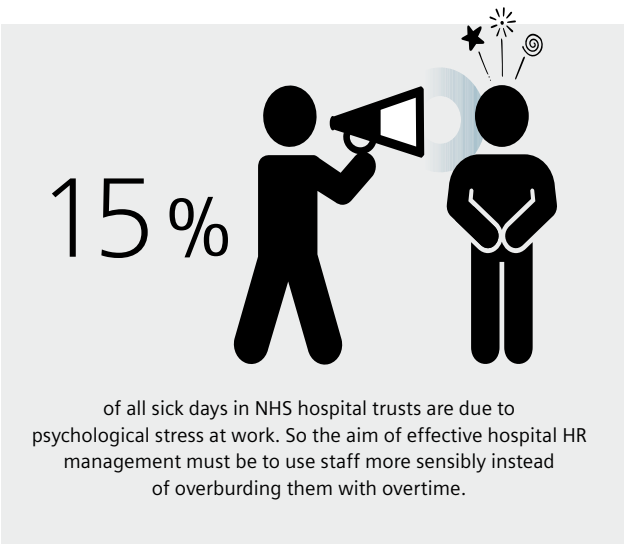
Automation, for instance, reduces the manual workload during such processes as setting up or evaluating clinical protocols. The systematic use of consistent operating concepts for devices and IT, as well as targeted training, enables a more flexible use of staff – a key aspect of business management.

At the same time, however, the flexible deployment of staff also increases employee satisfaction as their tasks become more varied. The time gained can be used to make more informed decisions and/or for more interaction with patients. Doctors and nurses have to spend less time on unpopular administrative tasks, reducing loss of information and frictional losses. And if individual employees do fall sick, their work can be spread to several shoulders thanks to the greater versatility of the staff.

Modern IT makes a significant contribution to ensuring quick and comprehensive access to relevant patient data – a key factor in increasing efficiency. Information management is crucial for the speed and accuracy of care decisions by hospital staff. And this is an important factor for higher employee satisfaction.

» The message for healthcare service providers and NHS trusts is a simple one. Reputational risk and effective communications – and in particular positive employee engagement – now need to be top of the agenda for any board that hopes to attract and retain the best staff. «

Nicola Bullen, TMP Worldwide UK<sup>20</sup>



Employee satisfaction lowers personnel costs

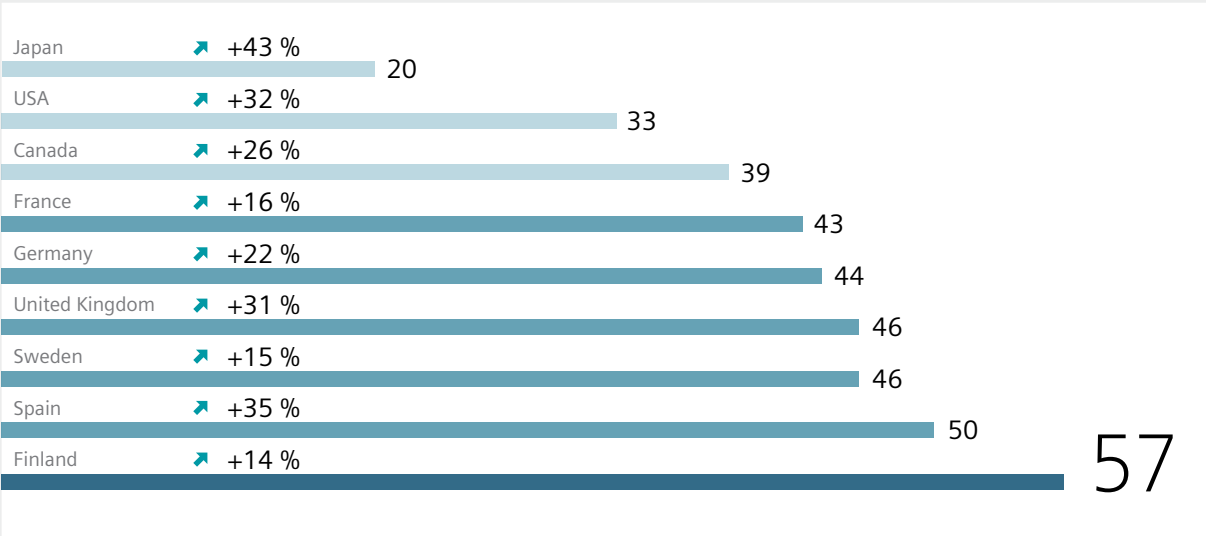
When a hospital's reputation improves, its costs for attracting and retaining qualified personnel fall. In Great Britain for instance, the reputation of an NHS trust as an employer is the first consideration for one in five nurses when they are looking for a new job. Other important factors include a healthy work-life balance and good career prospects and salaries. Three quarters of the 1,600 UK nurses surveyed by the consulting firm TMP Worldwide said they would actively avoid working for a trust seen as having a poor track record in employee engagement.<sup>20</sup>

So successful hospital operators are optimising their medical and administrative processes. They are modernising their compensation and working time models, improving the promotion of education and scientific research, and creating a corporate culture that makes them an employer of choice for scarce professionals. Hospitals need to develop new work models that increase efficiency, workforce satisfaction, and patient outcomes.<sup>3</sup>

A good working relationship with colleagues is also a prerequisite for high employee satisfaction. In the health sector, this especially includes communicative aspects. Even more so than in many other industries, health workers rely on handovers and databases to keep each other up to date<sup>21</sup>. So effective communication and appropriate information are an essential component of the job. Thus modern, user-friendly IT solutions that help to efficiently share information across departments are all the more important for job satisfaction.

Female physicians (in %, year 2013 or nearest) and changes 2000 -2013 (in %)

In many countries, the share of female physicians is already close to one half or even above. Since 2000, the proportion of female physicians has increased in OECD countries.



Quelle: OECD StatExtracts

Among doctors and other qualified medical personnel, there is a great desire and need for a systematic offer of further training measures. For one, these measures relate to clinical aspects, making them essential for optimal patient care. But for another, staff must also be continuously trained in the operation and range of application of medical equipment. Besides preventing errors with potentially high costs, such training also serves personal development, a more needs-based use of equipment, and also the greatest possible flexibility in deploying the staff.

Job satisfaction is also based on being able to make informed decisions based on one's own knowledge and a solid information situation. This information comes from complex clinical applications and therefore requires high-performance technologies for accurate diagnosis and effective treatment – both in routine clinical practice and for scientific work in research and teaching.

The gender factor

In the quest for well-qualified staff, female medical personnel play a key role – and the trend is rising. In 2011, 44% of doctors on average across OECD countries were

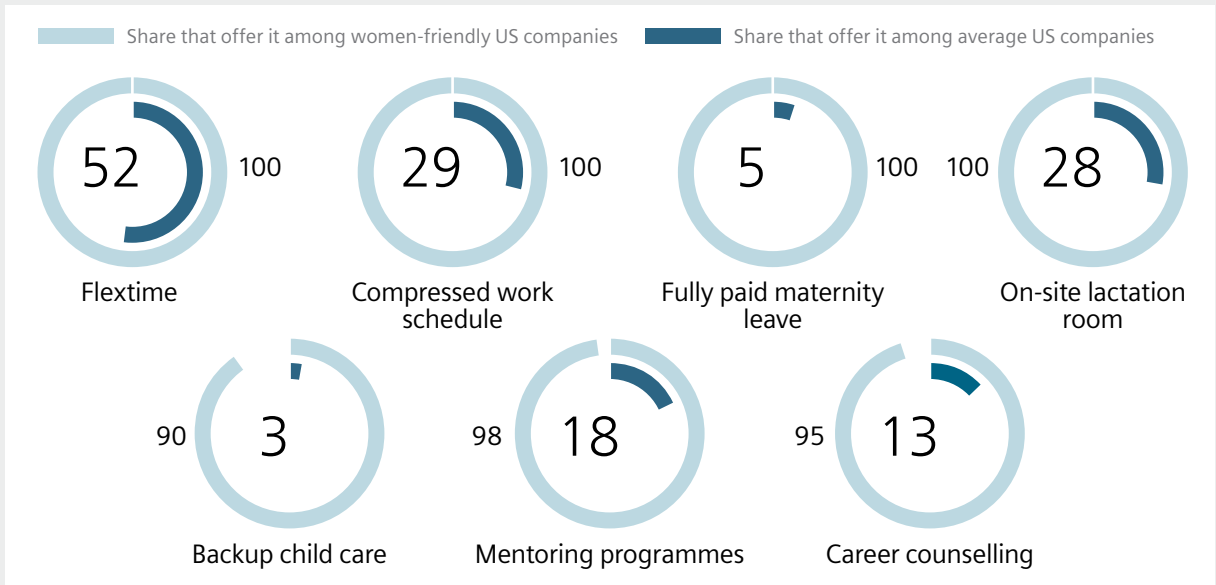
women. Since 2000, the proportion of female physicians has increased in all OECD countries for which data is available (see »Female physicians«, page 4).<sup>14</sup> This trend will continue.

All the more reason for hospital managers to specifically address the needs of the growing number of female doctors and nurses. According to the US survey »Working Mother 100 Best Companies«, these especially include flexible working hours, compressed work schedules, fully paid maternity leave, child care, company-owned lactation (breastfeeding) rooms, as well as mentoring programmes and career counselling by the employer (see »What makes companies particularly attractive to women in the US« ).<sup>22</sup> These are all criteria that make the US companies rated top from a female-friendly perspective stand out significantly from the average.

Naturally, such criteria differ from country to country. For example, fully paid maternity leave is mandated by law in countries such as Spain or Germany, so in these places it does not represent a useful women-specific differentiator for successful employer branding.

What makes companies particularly attractive to women in the US (in%)

Female-friendly US companies address the needs of women such as flextime, compressed work schedules, fully paid maternity leave, backup child-care and mentoring programmes. It is very likely that female doctors and nurses would rate their employer by the same criteria.



Source: 2014 Working Mother 100 Best Companies

In a nutshell:  
Workforce challenges in healthcare

- 01 Given the tight labour market in the healthcare industry and the challenge of retaining and attracting skilled professionals, it is crucial for healthcare providers to foster their reputation as good employers by offering professional development, sound education, and an efficient work environment. This is true for medical personnel as well as for hospital managers with future-proof leadership skills and a high degree of willingness to change.
- 02 The flexible deployment of personnel is mainly relevant from a business management point of view. It allows for optimising schedules and opens up a more varied work environment for employees. However, it requires establishing the right conditions in processes, skills management and technology.
- 03 Hospitals need to establish new work models in order to to increase efficiency and workforce satisfaction. Relevant measures to do this do not mutually contradict but rather encourage each other – they should always be planned and implemented holistically. Measures that systematically reduce overwork to counteract the industry's high rates of absenteeism and staff turnover also play an important role here.
- 04 In addition to their own skills, the efficiency of a hospital workforce is largely determined by quick and comprehensive access to relevant patient data. In addition to full availability, the needs-based processing/presentation of data is especially important – so information management is crucial for the speed and accuracy of care decisions by hospital staff.
- 05 The feminisation of the medical profession is a worldwide phenomenon. As responsible employers, hospital operators must adapt to the specific needs of their female workforce, to take advantage of their increasingly important potential.

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