Looking into a future marked by intense competition for talent, growing numbers of employers are striving to create “workplaces of choice.” Yet, despite the consensus that health human resources are a vital piece of the healthcare reform puzzle, few health service organizations have developed comprehensive strategies to address work environment issues. The cumulative impact of years of cost-cutting, downsizing and restructuring have left Canada’s healthcare workforce demoralized, overworked and coping with working conditions that diminish both the quality of working life and organizational performance.

In this article, I argue that recruitment and retention are the most visible signs of the systemic work environment problems Canada’s healthcare organizations face. It is within the work environment that we can find some of the solutions to the health human resource crisis. Of course, we must recognize that external factors – such as the aging of the healthcare workforce and imminent departure of many baby boom workers, lack of hiring in the 1990s and reduced inflows into health professions at universities – are beyond the control of any one healthcare employer. Even so, by making high-quality work environments a top priority, leaders of healthcare organizations will be able to meet tomorrow’s staffing needs, skill requirements and rising service demands.

I also offer suggestions for adapting guiding principles and lessons from other sectors to fit the unique character of healthcare organizations. This is helped by a multidisciplinary convergence of thinking that workplace culture, structures, rewards, resources and relationships shape the people capacity of an organization and therefore its ability to meet its strategic goals.

As a start, healthcare employers must look beyond immediate recruitment and retention challenges, adopting a longer-term assets view of the healthcare workforce. From this perspective, while filling immediate staff shortages and engaging in succession planning remains critical, equal attention must be given to maximizing the development and utilization of existing human resources.

Benchmarking the Quality of Work Environments
Diagnosing the extent of work environment problems in healthcare is the first step in designing strategies to improve the quality of healthcare workplaces. The healthcare sector is not alone in Canada in lacking reliable national data that can be used for benchmarking – essentially, the use of key outcome indicators to compare performance and track progress across sectors, organizations or occupations.

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Absence is perhaps the only work environment indicator for which reliable national data are available and that all healthcare organizations track. It is a lagging indicator, providing an up-stream measure of the effects of poor working conditions. Statistics Canada’s Labour Force Survey documents that in 2000, nursing, technical and support staff in healthcare had the highest number of days lost due to personal illness or injury of any occupation, at double or more the national average (Akyeampong 2001: 52). Absenteeism costs organizations in terms of lost productivity, creates stress on workers who have to cover for absent colleagues and in the medium term creates turnover given that these two behaviours are highly correlated.

Looking further, the CPRN-Ekos Changing Employment Relationships Survey (a nationally representative survey of 2,500 employees and self-employed conducted in 2000) enables us to document counter trends in the quality of work life. On one hand, when asked what they value most in a job, Canadians emphasize respect, interesting work, good communication, a sense of accomplishment, work-life balance and opportunities for skill development (see www.jobquality.ca for details). While money also matters, far more important are these “soft” psychological and social aspects of work and workplaces. For employers, the costs of not providing these desired job features include low morale, absenteeism and turnover.

Yet on the other hand, rising workloads and demands, faster pace and higher performance expectations – what’s called work intensification – have made it more difficult to meet these individual expectations. The same survey also reveals that work overload and job stress are serious problems, particularly among workers in healthcare. Specifically, 26% of healthcare workers claim they often or always have difficulty keeping up with the workload (only managers in all sectors rank higher, at 28%), and 45% of healthcare workers strongly agree that their job is very stressful, far more than any other occupational group.

Putting these two sets of findings together, it is clear that healthcare workers have to cope with considerable dissonance between what they want in a job and what they actually have. Such gaps are symptoms of unhealthy workplaces. At one level, this may ring of 1960s’ humanistic psychology and the quest for meaningful work. However, in the new millennium, these concerns have resurfaced in the business language of “becoming an employer of choice.” Any employer that takes this goal seriously must respond to what workers want in a job, finding ways to align these work values with organizational goals.

**EMPLOYMENT RELATIONSHIPS MATTER**

Exploring beneath these indicators of poor quality of work life, we find a pervasive malaise in employment relationships. This is especially true in healthcare. Employment relationships are the social-psychological sinews of work organizations (Lowe and Schellenberg 2001). They reflect the daily interactions between employees and employers, among co-workers and between self-employed contractors and clients. Strong employment relationships create a win-win-win: they improve a workers’ quality of work life, feed organizational productivity and in the end benefit clients or customers.

Employment relationships rest on the four pillars of trust, commitment, communication and decision-making influence. In practical terms, the language used to talk about recruitment and retention highlights the importance of employment...
relationships, especially trust and commitment. Employment relationships are fragile, easily damaged by downsizing and restructuring and it takes substantial management effort and time to repair this. The ingredients of a great place to work, such as respect and trust, are embedded in cultures, which are far more difficult to change than are structures. This is why so many restructuring efforts fail to deliver the desired operational improvements. Workplace reorganization either changes structures while leaving the old culture intact, or changes the structure in ways that damages the fragile relationships through which culture flows.

How does the healthcare sector compare to others in the strength or weakness of its employment relationships? The CPRN-Ekos Changing Employment Relationships Survey can provide answers, offering a national benchmarking tool that enables us to compare health professionals (employees only) with other major occupational groups (see Figures 1 through 4). The most striking conclusion from this benchmarking exercise is that health professionals have the weakest employment relationships on all four dimensions – trust, commitment, communication and influence – of any occupation in Canada, including unskilled manual and service workers. All four dimensions are measured using multi-item scales that range from 2 to 10, with higher scale values signifying stronger relationships. On all dimensions, health professionals are substantially lower than the average for all employees who responded to the survey. For example, health professionals scored 6.51 on the trust scale compared with 7.61 for all employees responding to the survey. Similarly, commitment among health professionals was 6.71, which compares with 7.41 among all employed respondents. Communication is 6.94, compared with 7.52 among all employees surveyed, and the decision-making influence scores are 5.77 and 6.57, respectively.

**Linking Work Environments, Relationships and Results**

To convince skeptics that these findings require action, it is important to document how employment relationships are associated with a range of individual and organizational outcomes. These include job satisfaction, morale, absenteeism, intent to quit, skill development and use. Thus, health service organizations face significant costs if they do not attempt to build strong employment relationships.

This evidence provides a more precise focus for solutions to the widely recognized crisis in health human resources. That's because the “drivers” of strong employment relationships can be shaped by comprehensive human resource management practices. The single most powerful influence on employment relationships is a cluster of healthy and supportive work environment characteristics: good work-life balance, a healthy work environment, a safe work environment, helpful and friendly co-workers and few conflicting demands made by others.

As Figure 5 reveals, when compared to all other occupations, health professionals give the lowest rating to these combined features of their workplace. Also important in this model of employment relationships are resources such as training, tools and equipment needed to do the job and job security – none of which can be taken for granted in healthcare organizations. On a positive note, another driver of strong employment relationships – doing interesting work – is widely available in healthcare.
MODELS OF HIGH-QUALITY WORK ENVIRONMENTS

Healthcare leaders need not search far for the common thread that connects these new ways of thinking about workplaces. Research on employment relationships, high-performance workplaces, healthy work organizations and strategic human resource management share a prominent theme with the population health perspective. This common idea is that individuals’ contexts influence their well-being. When applied to workplaces, it is easy to see how employees’ quality of work life and the healthy performance of the organization depends on a supportive and well-resourced work environment. Using this causal logic, the model of a high-quality healthcare work environment looks like this:

As outlined below, evidence from diverse areas of workplace research are converging around three key points:

• Investing in people and building the human capacity of an organization are crucial to future success.
• This requires a shift in management thinking, treating staff as assets rather than costs.
• Developing the people capacity of an organization is a continuous process that must be linked to the strategic goals of the organization.

Above all, these models of high-quality work environments show the importance of using a comprehensive and interdisciplinary approach to inform an organization’s people policies and practices.
High-Performance Workplaces

The most prominent model of a people-centred, post-bureaucratic organization is the high-performance workplace. The defining characteristics of this model include autonomous work teams, flat organizational structures, skilled tasks, a commitment to training and continuous learning, employee participation in decisions, supportive supervision, information sharing and performance-based pay (Appelbaum et al. 2000; Osterman 2000). High-performance work systems have been linked to enhanced organizational performance when these human resource practices are introduced in “bundles” rather than piecemeal.

High-performance workplaces also are more responsive to employees’ personal needs. This means they tend to be more “family friendly” and place more emphasis on employee wellness. In part, this reflects the greater flexibility and autonomy of the high-performance workplace. However, more crucial to the success of any work-family program is supervisor support and advocacy from upper management. Canadian research (Duxbury and Higgins 2001) confirms that achieving work-life balance, and consequent reductions in stress, depends more than anything on supportive front-line supervision.

Some analysts conclude that employee involvement is the cornerstone of the high-performance work system. Surveys in Canada and the United States document a strong desire among employees for greater participation and influence in their workplaces (Freeman and Rogers 1999). Participation can raise productivity by an estimated 2% to 5% by communicating workers’ suggestions about improvements in working conditions. Such practices are not widespread in Canada. In non-government workplaces with 10 or more employees, 29% reported using flexible job design, while 9% used self-directed work teams. Employees in these more participatory workplaces were more satisfied with their jobs.

Canadian health service organizations could find it difficult to reap these benefits from employee participation schemes. Given the health sector’s hyper-change, the longer-term benefits of greater staff involvement in workplace planning and quality improvement programs often have been cancelled out by the negative impacts of short-term cost-cutting and efficiency gains sought through restructuring and downsizing (Lam and Reshef 1999). For example, downsizing and restructuring at a large Ontario teaching hospital resulted in significant increases in mental and physical health problems among staff (Woodward et al. 1999; Shannon et al. 2001), which over time imposes net costs to the organization.

Still being debated is whether high-performance management systems will universally outperform traditional systems, or if optimal effects are contingent on an organization’s characteristics (Wood 1999). There are convincing arguments for the latter “strategic fit” position. So rather than looking for specific best practices in the private sector, leaders in health service organizations need to create customized approaches that fit their unique context and goals.

Healthy Work Organizations

A healthy work organization model is now being proposed in both the health promotion and epidemiological literatures (Chu et al. 2000). This model attempts to link healthy work environments to improved health outcomes for individual employees and improved business results. Among health promotion researchers, there is an emerging consensus about the need for a more holistic and integrative approach that addresses workplace and organizational factors. This shifts the focus from workplaces as convenient sites for health promotion, to involving workers and managers jointly in creating a health-promoting setting in their workplace.

One example of this new direction is the concept of a healthy organization developed by NIOSH, the U.S. occupational health and safety agency. As Lim and Murphy (1999: 64) explain: “A healthy work organization is defined as one whose culture, climate and practices create an environment that promotes both employee health and safety as well as organizational effectiveness.” The NIOSH model of healthy work organizations has been used in healthcare organizations to improve the quality of the work environment and at the same time, the quality of patient care. The link is the concept of continuous quality improvement (Sainfort et al. 2001). However, few peer-reviewed empirical studies examine employee health and organizational health in the same framework. One of these is a study of a large manufacturing firm in the United States (Murphy and Cooper 2000). Researchers found that the same management practices – continuous improvement, strategic planning, career development, human resource planning, fair pay and rewards – predicted both organizational effectiveness and employee stress outcomes.

Intuitively, the concept of a healthy organization should resonate in the health services sector. Given the relatively high levels of stress and work overload in healthcare, documented above, this model is particularly useful in designing interventions.

For example, research on the psychosocial work environment reveals that job strain in the healthcare sector, particularly due to heavy workloads, leads to increased sick time, healthcare costs and job dissatisfaction, and is associated with...
increased workplace conflict and turnover (Baumann et al. 2001). Nursing studies consistently report that autonomy, improved communication and respect are positively associated with job satisfaction, recruitment and positive assessments of the work environment (Kangas et al. 1999). More generally, research on work redesign shows that providing workers greater autonomy and decision-making authority promotes better mental health and increased job satisfaction, and, as such, contributes to reducing or preventing stress in workplaces.

Synthesizing this research, the evidence points to reasonable workload, control over work, participation in decision-making, supportive peer and supervisory relations and open organizational communications as key ingredients of a healthy workplace (Koehoorn et al. 2002). These conditions figure prominently in models of the ideal healthcare workplace, variously labeled “magnet hospitals” (Gleason et al. 1999) or “quality professional practice environments” (Canadian Nurses Association 2001).

The very same work environment factors that can improve employee well-being and organizational performance also represent impediments to change. Analysis of the relationship between healthy healthcare workplaces and improved patient care identifies major barriers to change, including heavy workloads, fear of power loss in some professions, the lack of opportunities to bring perspectives from different disciplines together, and a traditional emphasis on patient needs, which often subsumes worker well-being (Eisenberg et al. 2001). Organizational leaders planning healthy workplace initiatives first will need to address these immediate barriers.

More generally, it is essential to bear in mind that structures and cultures must change to meet the goals of healthy outcomes for all organizational stakeholders. So, the healthy work organization model is a framework for comprehensive workplace renewal. It is interesting in this regard that one Canadian employer to have received the National Quality Institute’s Healthy Workplace Award, MDS Nordion, embedded a workplace health program within a sweeping strategy for organizational transformation as it moved from the public to the private sector.

**Strategic Human Resource Management**

Above all, workplaces that meet the criteria for high-performance or healthy work organization models have located human resources (HR) at the core of their business strategies. This strategic focus on HR marks a fundamental shift away from the traditional “personnel” support function, in which human resource management (HRM) issues have been pigeonholed, towards becoming a partner in meeting the organization’s strategic goals by building and sustaining its people capacity (Becker et al. 2001).

Undoubtedly the most sophisticated approaches to strategic HRM can be found in customer service firms in the retail and financial sectors. Sears’ “employee-customer-profit chain” illustrates how the vision of a “compelling place to work” is linked through a series of outcome measures to the strategic goals of creating a compelling place to shop and a compelling place to invest (Rucci et al. 1998). Leading Canadian financial institutions, such as the Bank of Montreal, the Royal Bank and VanCity credit union, have developed their own versions of these HRM measurement tools. Organizations that have adopted this strategic approach to HRM follow through by including an HR representative on the executive committee, embedding HR goals in performance evaluations for all managers and carefully developing metrics for assessing how employee outcomes and business results are causally linked.

The point for health service organizations is not to emulate Sears or the banks, but rather to extract basic lessons about how exceptional organizational performance depends on motivated, knowledgeable and healthy staff. Health service organizations can develop meaningful indicators of their work environments that can enhance overall strategic planning, accountability for people issues and progress towards goals. Just as medical science is based on evidence-based decision-making, what a strategic HRM approach offers is evidence-based management decision-making when it comes to people issues.

So the task facing leaders of health service organizations is adapting to their unique settings generic tools such as balanced scorecards and human resource audits (Kaplan and Norton 2001), so that people investments, employee outcomes (ranging from job satisfaction and commitment to absenteeism, turnover and health) and organizational performance are calibrated in a single causal model. Bear in mind, though, that strategic HRM is not widespread in Canada. Looking at the bigger picture, using data from Statistics Canada’s Workplace and Employee Survey, in 1999 some 31% of non-government employers considered increasing their employees’ skills as central to their business strategy, and 23% considered employee involvement in decision making in the same light (see www.jobquality.ca).

Even though the health sector falls below these national benchmarks, it has the potential to make significant advances in strategic HRM given its internal research expertise, the use of patient outcome and performance measures, and the diffusion of employee surveys. Research on health professionals increasingly emphasizes the connection between a healthier work environment, employee well-being and organizational performance (Kreitzer et al. 1997, Aiken et al. 2001). High physician stress and dissatisfaction undermines job performance and increases the incidence of turnover, absenteeism and accidents (Williams et al. 2001). Hospitals that provide these working conditions show improvements in staff recruitment and retention as well as in patient outcomes (Aiken et al. 1994).
Future applied research must focus on the mechanisms by which work environment factors affect patient outcomes. Most current evidence is based largely on healthcare workers’ perceptions of patient care quality. Fully integrated management information systems are required so that we can better understand how quality of work life and human capacity indicators are causally related to a range of organizational outcomes. This will require cross-disciplinary and practitioner-researcher collaborations. There are several promising recent developments in this direction. The Canadian Nurses Association has recommended that the Canadian Council on Health Services Accreditation include quality of work life indicators in the 2004 revisions of the Achieving Improved Measurement accreditation program (Lowe 2002). In the United States, there are coordinated efforts to develop quality measures and continuous improvement across all federal healthcare agencies (Eisenberg et al. 2001). Moreover, the research I have reviewed from other areas also serves to underscore the importance of integrating work environment goals into a comprehensive continuous quality improvement program for health services delivery. Quality work environments and quality patient care go hand in hand.

**WHAT LEADERS CAN DO**

Strong leadership is essential to bring about positive changes in healthcare work environments. Leaders must initiate and guide this process of organizational renewal. They can do this by springboarding off the current sense of urgency around health human resources, articulating a vision of what a great healthcare workplace looks like. What would make staff feel energized to come into work every day and fulfilled when they go home? Many health service providers are large, differentiated and multi-unit organizations. So it is equally important to take a close look inside, using employee surveys and administrative data, to identify exemplary units from both a staff and a client perspective. These stories need to be told at every opportunity in the spirit of collaborative learning. At the same time, learn from failed attempts at workplace innovation.

Turning to the change management literature, we find helpful discussions of the enabling conditions for the kind of “transformational” change needed to improve workplace quality in ways that enhance organizational performance. These include: vision, leadership, coalition-building, communication and participation. These enabling conditions can also become barriers to change if not adequately addressed. All are important, but as Tushman and O’Reilly (1997: 200) observe, “If there is one clear result from the research on change management, it is that employee participation increases individual ownership and excitement and, in turn, decreases individual resistance to change. The more people are involved, the more the change effort is their change effort.”

Other useful lessons from private sector experience come from surveys of Fortune 1000 firms that tap into the facilitators and barriers to the diffusion of high-performance work systems (Lawler et al. 1995). The key facilitators in the firms surveyed were support by all levels of management and resources to make the changes. The leading barriers were short-term performance pressures, lack of a champion, lack of long-term strategy, unclear employee involvement objectives, lack of tangible improvements, worsening business conditions and lack of coordination of employee involvement with other programs.

Unlike most private sector firms, health care organizations have powerful internal stakeholders: unions and professional associations. With more than three in five healthcare workers unionized, and with physicians, nurses and other professionals represented by provincial and national associations, significant progress on work environment issues will require new collaborative relationships based on a shared sense of mutual gains. This is more likely to be achieved through small steps, at the local level, and where there is a high probability of quick gains. Figure 6 summarizes the process for building high-quality work environments into a sequence of nine steps that reflect the unique context and challenges of the healthcare sector. These steps provide a framework leaders can use to engage organizational stakeholders and change agents in discussions of how to launch these actions.

As a final comment, leaders must leverage one of the healthcare sector’s great strengths – that is, health is a leading knowledge-based industry, given the high proportion of highly educated people it employs. So it is worth heeding Peter Drucker’s (1999) advice to give knowledge workers ample opportunity to be innovative in terms of the quality of what they do and to encourage continuous learning. Extending this point, the process of creating high-quality workplaces is an ideal project for engaging healthcare workers in continuous quality innovation and learning. In the end, this may be the surest way to create a better quality of work life and enhance the overall performance of the healthcare system well into the future.
High-Quality Healthcare Workplaces: A Vision and Action Plan

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