



## Ideas at Work

# Raising the Bar for People Practices: Helping All Health Organizations Become “Preferred Employers”

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**T**here is a growing consensus that Canada’s health system employers must do more to support and develop their staff within healthy and positive work environments. Human resources are the single largest budget line in any healthcare organization. But employees are not costs; rather, they must be viewed by managers, boards and governments as the core assets of the system. Leadership in health human resources means investing in people, supporting them to deliver excellent patient care and related services and developing their capabilities for the long-term.

Urgency is a precondition for transformational change in organizations, which makes Canada’s health system ripe for new approaches to people practices. There will not be enough new entrants to meet the growing North American demand in nursing and other health professions (CIHI 2004: 76), making retention and development of existing staff a priority. Constant organizational change in healthcare has generated stress, insecurity and demoralization, contributing to a perception among staff that patient care has deteriorated (Woodward et al. 1999). Moreover, the US Agency for Health Research and Quality (AHRQ) has linked working conditions to safety-related patient outcomes (United States Agency for Healthcare Research and Quality 2003). The 2004 Canadian Adverse Events (AE) Study recommended that significant improvements in patient safety can be made by “modifying the work environment of healthcare

professionals” (Baker et al. 2004: 1685).

Facing these intense pressures to renew the health sector’s workforce and workplace, we can learn from models outside Canada’s health system for improving human resource practices and work environments.

One model is for individual health employers to become branded as excellent workplaces so they can find and keep talent. Indeed, a growing number of health employers in Canada have begun to adopt “preferred employer,” “organization of choice,” “healthy workplace” and related approaches to human resource management. The other model is to make “preferred employer” characteristics a system goal, treating it as a public good rather than as the competitive advantage of specific employers. While an individual employer and its community stand to benefit from the first model, the second offers the greatest potential gains for the health system as a whole.

This article recommends the second model for Canada’s health system, outlining how professional, employer, industry and government organizations across Canada can collaborate to raise the bar for human resource practices and the quality of work life. This way, all health system organizations are encouraged to become “preferred employers.”

### **MAGNET HOSPITALS**

Perhaps the most rigorous model for improving people practices in hospitals is the Magnet Recognition Program. This was

created by the American Nurses Association (ANA) in the 1980s, based on research that identified the organizational characteristics of hospitals that were successful at attracting and retaining nurses (ANA 2004). In 1993, the American Nurses Credentialing Centre (ANCC), an ANA affiliate, launched the Magnet Nursing Services Recognition Program for Excellence in Nursing Services.

To meet ANCC's magnet criteria, hospitals must create work environments that support nursing practice, emphasize professional autonomy, enable bedside decision-making, involve nurses in determining their work environment, offer professional education and career development opportunities and have outstanding nursing leadership. Research confirms that ANCC-accredited magnet hospitals provide higher quality nursing care and improved quality of work life for nurses. Magnet hospitals have lower nurse vacancy rates and longer average length of employment, lower burnout rates and higher levels of job satisfaction among nurses, improved nurse to patient ratios, better outcomes of patient care and higher patient satisfaction than non-magnet hospitals (Scott et al. 1999; Aiken 2000).

While the magnet hospital designation has increased general awareness about the need for high quality work environments, it has several limitations. The program is US-based and focused on nurses, although the award can create a "halo" effect that helps to recruit medical staff. The magnet hospital designation sets very high standards, and the application process is onerous. Thus, fewer than 70 hospitals in the US (less than 1% of all hospitals) have achieved the ANCC designation. There is no evidence that diffusion of the concept beyond ANCC-accredited magnet hospitals has contributed to improvements in recruitment, retention, nursing care quality and the quality of nurses' work life.

## **BECOMING AN "EMPLOYER OF CHOICE"**

Looking beyond healthcare, a growing number of employers in Canada, the US and Europe are taking steps to prepare for future skill and labour shortages in what is expected to be an increasingly competitive global labour market, especially for knowledge workers. This has given rise to a range of "employer of choice" programs and annual "best employer" rankings published in national and regional business magazines. So far, however, few public sector organizations have participated in these rankings. The most prominent Canadian list is published in the *Report on Business Magazine*. This ranking is based mainly on a survey that measures employee "engagement" (Hewitt and Associates 2004).

In Europe, a similar approach is used to achieve public policy goals. In 2003, the European Commission (EC) partnered with Great Place to Work® Institute Europe (affiliated with the US-based consulting firm that does Fortune magazine's list of the 100 best US companies to work for) to sponsor the "100 best workplaces in the European Union" (Great Place to Work®

Institute 2004). This contributes to the EC's policy goal of improving the quality of work. What further distinguishes this initiative from best employer rankings in North America is the inclusion of gender equality, lifelong learning and cultural diversity as selection criteria and the basis for separate awards.

Best employer rankings raise awareness about the links between people practices and organizational results. This strategic emphasis on people marks a shift away from the traditional "personnel" support function, which marginalizes people issues (Becker et al. 2001). However, limitations of the "best employer" approach include lack of objective standards against which to assess employers' practices, the self-selection of "list" participants and lack of details about what employers actually do to achieve excellent human resource outcomes. The major weakness is that "employer of choice" rhetoric is merely corporate branding.

Few healthcare organizations in Canada have participated in the national or regional best employer surveys. Interestingly, in both 2003 and 2004, the leading employer on the *Report on Business* list was BC Biomedical Laboratories Ltd., a community medical laboratory based in Surrey, BC, which is privately owned and operated by pathologists. In contrast, seven hospitals are on the 2004 *Fortune* magazine "100 Best Companies to Work For in America" list, up from up from two in 1998. For some hospitals, making the *Fortune* list may be more useful than going through the magnet hospital program. The Mayo Clinic is the only organization that has the distinction of being on the 2004 *Fortune* list and also to have been awarded the ANCC's magnet hospital designation.

We can't assume, however, that US healthcare organizations are ahead of their Canadian counterparts when it comes to creating high quality work environments. More information is available on US health employers' workforce and workplace initiatives, so it is easier to identify some of the exemplary employers in the US health sector. In Canada, we need better ways of documenting and sharing successful human resource management practices so that overall standards are raised.

## **INVESTORS IN PEOPLE**

The Investors in People (2004) program has been the centre-piece of the UK government's workforce and skills development strategy since 1993. It is the leading example of a public policy initiative to improve human resource practices within organizations. Research was used to create Investors in People (IiP) benchmarks and guidelines for good practices in employee development that would contribute to business performance and competitiveness. The IiP standard is designed for all types and sizes of organizations and participation is voluntary. About 35,000 organizations have achieved the standard, representing over one-quarter of the UK workforce.

Studies of the IiP have raised concerns that can be general-

ized to any national or sectoral initiative aimed at encouraging “best practices” (Grugulis and Bevitt 2002; Bell et al. 2004). The appeal of the standard diminishes as more organizations achieve it. Mainly large and prestigious employers meet the standard, resulting in public policy pressure to increase adoption among small firms and in less knowledge-intensive sectors. Yet this could devalue its meaning for the current leaders. This has led to calls for flexible standards, such as higher-tiers (e.g., “gold,” “platinum”) and levels of achievement that vary by size and industrial sector.

Indeed, human resource management researchers reject a “one-size-fits-all” approach in favour of a more flexible, “best fit” approach to people practices. The revised ISO quality management standards have recognized this point, offering a menu of standards and approaches. And the Netherlands is implementing an IiP standard that targets organizations that most need improvement.

A further concern is that training and development activity needs to be more closely and regularly monitored within accredited organizations to ensure that good practices are followed consistently and effectively. Related to this are equity concerns regarding access to opportunities and good practices. Professionals and managers benefit more than other employee groups, and temporary and contract workers usually are excluded from such opportunities. Finally, experts argue that IiP certified organizations were good to start with, so the award simply recognized what they were already doing rather than encouraging the diffusion of good people practices.

## HEALTHY WORKPLACE AWARDS

Workplace health promotion should have a natural alignment with the goals of the health system. Yet there is abundant evidence of the high costs of unhealthy and unsafe healthcare workplaces. Some healthcare employers are using the language of a healthy workplace to develop broader strategies to improve the work environment, although this is far from being a trend. In this regard, it is instructive to examine the national healthy workplace awards in Canada and the US.

The National Quality Institute’s (NQI) Canadian Healthy Workplace Criteria were developed by NQI in partnership with Health Canada (NQI 2001). The criteria are used for the Healthy Workplace Award program, providing a “roadmap” for organizations planning health promotion programs. Basically, this is a continuous improvement model with four drivers – leadership, planning, a people focus and process management – that support healthy outcomes for employees and the organization. The overall goal: “Healthy employees making a contribution to the organization within a healthy workplace environment.” A detailed 10-step, long-term organizational health strategy for creating healthy workplaces is outlined on NQI’s Healthy Workplace Week website (NQI 2004). The NQI

has adapted this approach to healthcare, and has partnered with the Ontario Hospital Association to offer a 2004 Healthy Hospitals Innovators Award. The impact of the NQI program has not, however, been systematically evaluated.

The key enabling conditions for healthy workplace change are leadership recognition that a healthy workplace contributes to business goals and a people-oriented management style (Lowe 2004). Incorporating employee health and wellness into corporate business plans, values and mission, and “employer of choice” strategies increases the commitment, time and resources needed to succeed. Creating and maintaining a healthy workplace requires a supportive culture that values employees and is trust-based.

Most of all, this requires unwavering support from the CEO and executive team. Management’s commitment to valuing employees’ well-being must be honestly communicated and consistently reinforced in all management decisions and actions. However, in many organizations, the gap between the talk of valuing people and the actions of management has yet to be closed. This is the biggest leadership challenge in healthcare today. As British Columbia’s Auditor General emphasized in a study of unhealthy workers and workplaces in BC’s health system: “Greater leadership is critical if there is to be any progress in developing a healthy work environment” (British Columbia Auditor General 2004: 2).

## COLLABORATING TO RAISE THE PEOPLE PRACTICE BAR

The examples above emphasize the importance of advancing work environment and human resource goals through collaboration rather than competition. This is the best model for building the human capabilities of Canada’s health system. Two things need to happen. First, boards and executive teams in each healthcare organization must demonstrate strong leadership by articulating a compelling vision of how excellent people practices directly contribute to strategic goals. Managers at all levels must relentlessly follow through with resources – especially time – and actions to achieve that vision, and equally important, involve all staff groups in the process so that it becomes their vision too. Second, there must be a national framework that guides and supports organizational efforts. The only way that the people practice bar can be raised across the health system as a whole is if local actions are supported by clear national standards for excellence in healthcare work environments, a national clearing house for information on what works and why and an efficient and accurate reporting system for human resource outcomes.

The stage is already set for this, given recent initiatives by the Canadian Nurses’ Association, the Canadian Council on Health Service Accreditation, the Canadian College of Health Service Executives and other national and provincial professional and employer organizations. Working collaboratively, these stakeholders are ideally positioned to create a national framework

capable of raising the bar for human resource practices, quality of work life and organizational performance across the entire system. It is important to encourage flexibility and innovation at the local level, so that unique needs, priorities and contexts are addressed. This can be achieved by building a national framework on four pillars: leadership commitment and action on people goals; healthy, safe, supportive and positive work environments; satisfied and engaged staff; and organizational effectiveness, including high quality and safe patient care.

This is the preferred model for renewing Canada's healthcare workplaces and workforce. The alternative is a future in which one organization, or region, is pitted against another in direct competition for staff.

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