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## What to Expect in 2011 New Challenges in Leading the People of Healthcare

Presented by Integrated Healthcare Strategies and authored by  
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It seems that every year we talk about new challenges and issues facing healthcare. Obviously, all of us involved in the management of healthcare must have an inner desire to be involved in a tumultuous and ever changing career. This year appears to be no different.

The main focus in 2010 was healthcare reform and the monumental changes it will bring to the way healthcare is managed. Although healthcare reform is an ongoing topic, 2011 appears to be a year where the 'people' issues of healthcare will begin to dominate healthcare leaders' attention.

In an odd way, the last two years have been a relatively easy time period to manage, even though hospital leaders have been faced with difficult decisions that in many cases negatively impacted employees, physicians, and managers. The reason for the relative ease is that employee and community expectations have plummeted. Even when faced with limited or no wage increase, employees do not respond negatively because they are simply happy to 'have a job.' One of the unattended public relations outcomes surrounding all the healthcare reform discussion is that those who pay, or at least manage payment, for healthcare have been pointed out as the reason for the healthcare issues - not hospitals or hospital leadership.

The not-so-good news is that this period of low expectations is starting to end. As the economy begins to improve, or at least when employees perceive the economy is improving, expectations will rise dramatically - almost like a dammed creek starting to leak through a small crack and then rushing through as the hindrance is pushed aside. As these expectations increase, it will be difficult for hospitals and hospital leadership to respond quickly enough. This is due both to our heavily regulated and protocol environment, and the need for a longer trend period of more than just a few months of economic recovery before we are comfortable to start writing checks for pay increases and other workplace improvements.

Recent studies indicate that up to 25% of employees are ready to change employment once they believe the economy has improved and jobs become more available. This high number is attributed to the stifling of natural job movement during the last two years, as well as a perception that employers have been 'taking advantage' of employees being unable to leave and implementing a 'take it or leave it' (although no one could choose to leave it) approach.

Many employees may not perceive another employer as necessarily better, but may believe leadership can no longer be trusted and that the commitment to employees has been lost in their current workplace - they simply hope it will be better somewhere else.

The community is also re-focusing and again expecting that hospitals and hospital leadership will take the lead in improving not only healthcare overall, but access and cost issues. With more and more physicians becoming employed by hospitals, patients and their families see the hospitals as having total responsibility for care and costs, not just for inpatient or outpatient services.

The year 2011 will also see a number of hospitals finally shifting from a workforce dominated by baby boomers to one dominated by the X and Y generations. The warning claxon has been blaring for the last few years, but the economic conditions diminished the impact of the generational change. Time, though, has marched on, and we are now facing a healthcare work environment where X and Y generation employees are the majority of the workforce. Healthcare leadership, however, is still dominated by Baby Boomers. The management processes, skills, and tools we have used to effectively motivate and lead Baby Boomers are mostly ineffective with the X, and particularly Y, generations. Tension is sure to follow. How quickly this generational transition occurs at any specific hospital will depend mostly on the demographics of each community. During the year 2011, many areas will finally see this incredible generational shift, and the need to make significant, fundamental changes to management practices will be pronounced. Unfortunately, the generational attitudes are so deeply ingrained that there will be little choice but to change our leadership practices.

Board members and volunteers are also on the cusp of major changes because of the generational movement. In these cohorts, though, it is the Baby Boomers who are replacing the Traditionalists, and again, the approaches we have taken over the last ten years as leaders to manage both of these groups may not be effective for the next ten to come.

Of course, many of the potential issues for 2011 could be dampened if the economy continues to struggle throughout the year. If that occurs, the biggest danger could be that healthcare leaders become so comfortable managing in a low expectation environment that they lose the skills and motivation necessary to effectively engage an increasingly diverse workplace including board members, executives, managers, employees, physicians, and volunteers.

In the February 2011 issue of the IHStrategies newsletter, we will explore what actions may be needed to start addressing some of these serious 'people' challenges facing healthcare leaders, and new approaches and communication techniques to not only limit any negative impact, but actually dramatically increase the level of engagement of all the 'people' of healthcare.

**About the Author**

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*The MSA HR Capital practice helps clients develop a human resources organization that supports their strategic goals. MSA HR Capital provides comparative data from over 1,000 hospital organizations to tailor solutions for your specific work environment to ensure that you reach objectives by integrating your management, compensation, labor relations and employee engagement goals into one seamlessly operating strategy. Our process is simple - turn data into information which helps develop more knowledge, better decisions and positive actions.*

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