



# C-suite check-in: The health care workforce crisis

Research report uncovers threats and investments to advance a sustainable workforce

Every segment in health care is experiencing extraordinary changes in the workforce. Burnout, turnover, rising labor costs and skill gaps are diminishing the supply of qualified workers. Meanwhile, demand is on the rise. Business models are in flux, margins are thin and the ROI for care delivery innovations requires investment in an uncertain time.

How are current workforce dynamics impacting progress for health organizations? To understand, we gathered perspective from leaders who are navigating these disruptions. We asked what steps they're taking to adjust their culture, workflows and staffing strategies to build a more sustainable workforce.

We gathered insight from 150 health care executives across health plans, providers, and government agencies. Of these respondents, 52% came from the provider segment, 35% came from payer organizations and 13% came from state or federal government agencies.

## Key findings across 5 categories:

- Workforce disruptions and impact on performance
- Obstacles to progress
- Qualities of a sustainable workforce
- 2023 investment and partnership priorities
- The new role of technology

Leaders recognize the connection between workforce challenges and business viability. They're identifying ways technology and an intentional focus on culture can strengthen their employees. But there is no playbook for managing the complex set of changes that are underway. Making the leap to a new way of operating will require leadership fortitude that can best guide investments and partnerships that can drive growth and mitigate risk.

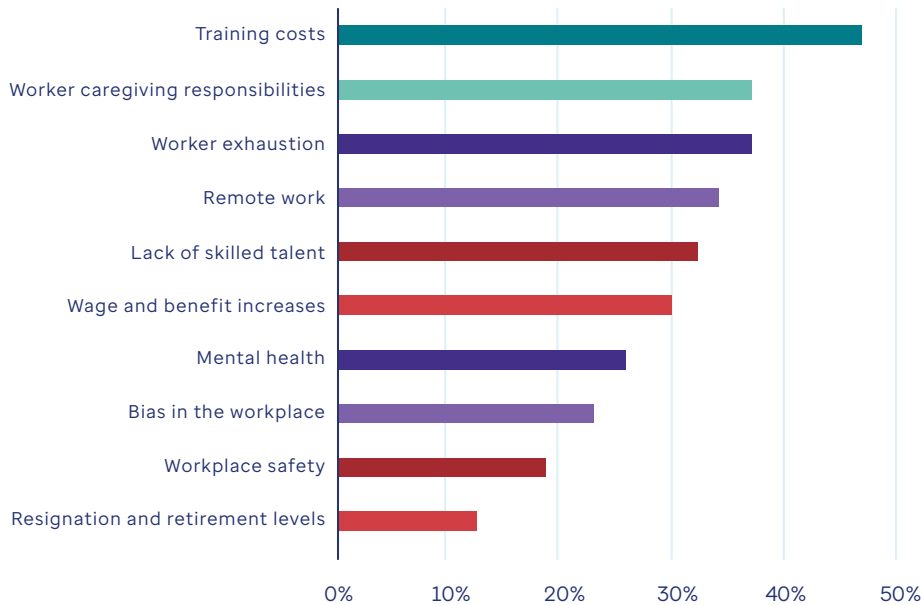
## Workforce disruptions and their impact on performance



47% of leaders cited training costs as the leading disruption. And 33% identified lack of skilled talent as a top disruption. The cost to retain, attract and train the workforce is an overwhelming pain point for all health organizations.



### Greatest workforce disruptions



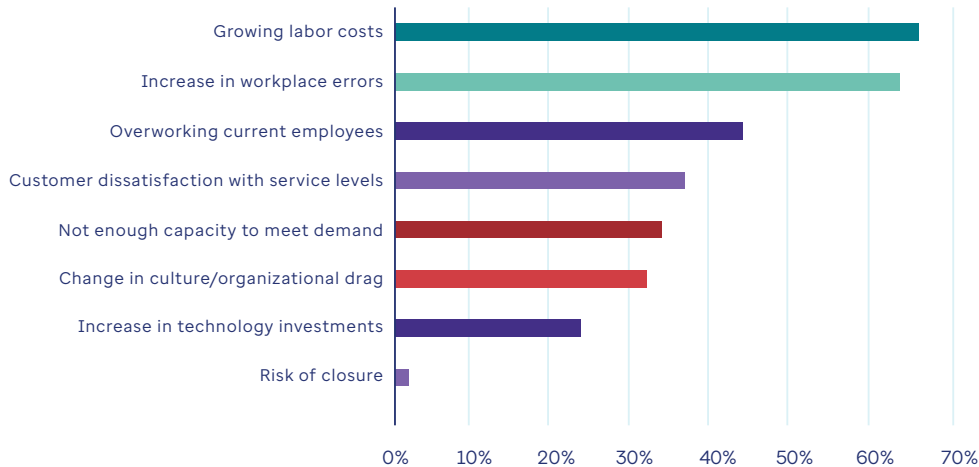
Staff-to-consumer ratios continue to rise for both payers and providers. This increases the number of tasks to be performed and the time required to perform them. In response, new technologies and workflows continue to evolve, requiring new skill sets even from tenured staff. Leaders are faced with aligning the skills of the staff they have with the competencies required to accomplish an expanding range of tasks to a larger base of consumers.

Caregiving responsibilities, exhaustion and remote work are also taking their toll. The response to challenges related to COVID-19 exhausted workers and leaders alike and pushed training to the back seat. Today, as remote and hybrid work environments take hold, leaders see the need to step back to restructure their workflows and integrate upskilling and training as part of their retention strategy – all within an environment where individuals are not necessarily co-located, which can impact the efficacy of training.



66% of leaders said growing labor costs have the most impact on their business. Beyond labor costs, 63% of leaders cited workplace errors as having the most impact. There is an imperative to expand skill sets, offer flexibility and reimagine the work to be done.

### Impact on the business



Leaders know that technology can be used to offer workers more choice and flexibility. This can help them manage their schedule and energy levels, which may be depleted by caregiving and other personal responsibilities (noted as a major disruptor). To combat this, some organizations leverage automated scheduling to let staff set their own schedules, including length of shifts, and determine when they are remote or in person. Some organizations let people choose by tasks, such as where they are most proficient and feel most satisfied. Mentorship, team training and onboarding buddies are also effective at helping people learn and feel connected.

To relieve exhaustion of overworked and understaffed teams, organizations can offer employees some autonomy and choice. But there is no one-size-fits-all approach. With such a wide spectrum of workers and a broad range of disruptions and impact, employers need to build a deeper understanding of their employees.

There are many ways to be flexible. Consider such things as place of work, time of day to work, job-sharing, self-paced training, benefits and culture. Each has opportunity to impact capacity and improve satisfaction with consumers and employees alike. The key is to offer the flexibility employees seek and bring to the business the speed and quality needed to compete.

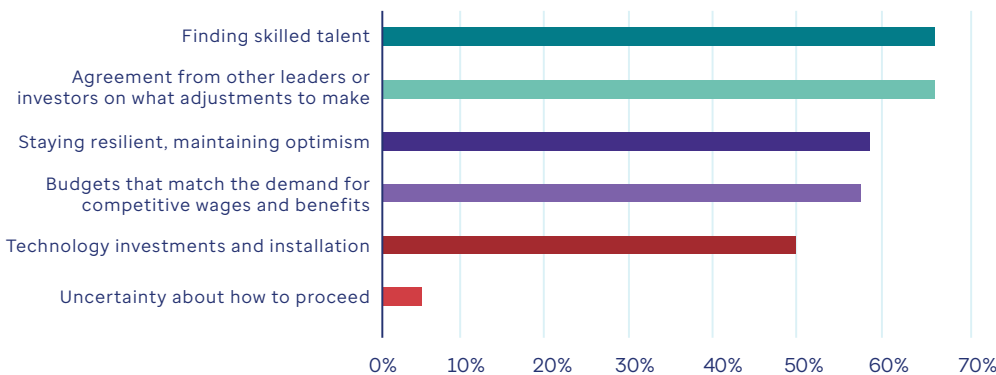


**Determining the best options to relieve burnout and exhaustion are dependent on the specifics of the employees and their work location. But relieving the workforce with flexible scheduling and expanded benefits may not only reduce recruiting costs, but also defend against lost productivity and lost earnings, which helps ensure organizations can cover their fixed cost base.”**

**– Selemon Asfaw**  
Chief Financial Officer,  
OptumCare

# Even when the problem is clear, obstacles to progress remain

## Biggest obstacles to progress



Finding talent, managing budgets and gaining agreement on where to invest are wearing on leaders, making it hard to stay optimistic. However, trends are emerging about how to address the talent shortage and ways to gain the quick wins that can help build momentum:

## Making decisions without a playbook



65% of leaders say getting leaders or investors to agree on what adjustments to make is one of their biggest obstacles. There is no playbook for this level of workforce transformation.

The disconnect among leadership teams is not surprising given that health organizations are transforming from the inside out. Sites of service are shifting. Hybrid roles are taking shape. And artificial intelligence and machine learning continue to have new relevance. All these changes impact staffing needs and investments.

It can be challenging for a leadership team to decide what they must do to stay competitive and remain viable at the speed of change. Some larger health systems have the resources and skill sets to anticipate market opportunities, develop new operating models and define new hybrid job functions. Those that don't will need to quickly identify where they are positioned to lead the change and where they may need to look to partnerships and other investments to remain relevant.

The first step for any organization is gaining agreement around the organization's greatest workforce problems. Next, creating a governance structure and accessing data and analytic insight can help build alignment around future workforce goals. Finally, identifying quick wins to complement the required long-term adjustments and investment can reassure leaders that they can sustain the organization's workforce and performance as it transforms.



**Leaders are putting new options on the table now because the market has changed. And absolutes that were there a year ago are no longer absolutes."**

**— Sasha Preble**  
Vice President,  
Strategy and Growth,  
Optum Advisory Services

## Finding and keeping talent



65% of leaders identified finding skilled talent as one of the top obstacles. A combination of strategies will be needed to find and retain skilled talent.

### Finding the volume of skilled talent needed to match demand will depend on:

- Expanding the talent pool
- Taking a fresh approach to compensation
- Redeploying existing talent
- Increasing training and career growth opportunities

To widen the talent pool, leaders can think about forging new partnerships with academic organizations. They can design student loan payback programs as part of compensation packages. They can also consider reducing the requirements for certain staff positions.

Leveling up the scope of certain job functions can also increase retention of current staff. For example, leveling up to allow nurses to do certain clinical procedures frees up specialists to consult on more cases and offers mid-level clinicians some exciting growth opportunities.

## Quick wins build resilience



63% of leaders named staying resilient and maintaining optimism as a top obstacle to progress. Leaders can be as overburdened and fatigued as their workforce.

Quick wins that help cut costs, increase capacity and reduce errors can build measurable strength within an organization. They demonstrate progress that everyone can see and feel without being tethered to longer-term organizational changes.

### Following are examples of quick actions to positively impact the workforce:



**Build trust** with staff by hearing directly from them on what's important to their workplace well-being. Map how pay levels, other benefits and generational differences produce different pressures and expectations throughout your employee base.



**Reduce exhaustion** and empower employees with self-serve tools that offer more workday choices and more flexible scheduling.



**Save staff time and frustration** by offering both self-serve and on-site training during paid working hours.



**When supported with appropriate technology and clinical decision support, it's possible for different members of the care team to take on extended responsibilities whilst maintaining high standards of care. This approach can help to fill important gaps and free more experienced colleagues up for higher value activities."**

– **Dominic King**  
Senior Vice President,  
Clinical Solutions,  
Optum



**Improve quality** by keeping staff performing at the top of their capabilities by automating routine administrative tasks such as coding, claims audits, automated diagnoses and patient scheduling.



**Expand capacity** by up-leveling staff to do activities they are qualified for, which also engages and inspires them.



**Reduce errors** with the use of digital, evidence-based decision support tools.



**Improve employee culture** by implementing staff mentors, buddy systems, direct dialogues and forums where employees can connect for guidance, support and a sense of community. Small gestures of appreciation can have a big impact.

These kinds of quick, low-cost activities decrease pressure on staff while reducing the risk for errors and maintaining core business functions. This lets leaders shift their focus away from staff triage and gives them the bandwidth they need to:

- Establish governance
- Understand the supply/demand equation more succinctly
- Develop the market and financial projections required to map a longer-term transformation



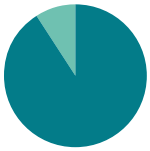
**Managers are having more direct ‘stay’ conversations with employees to understand their personal pressures and what it will take for them to stay and be engaged. People have different definitions of appreciation and recognition.”**

**– Kathy Pennock**

Vice President,  
Clinical Performance and  
Cost Optimization,  
Optum Advisory Services



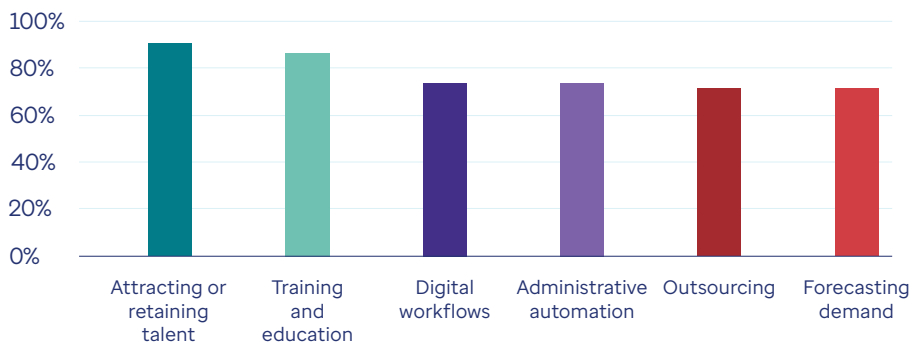
## Top 5 qualities of a sustainable workforce



91% of leaders said attracting and retaining talent is an extremely important or very important priority. Even so, talent needs support with training, digital workflows and an ability for leaders to forecast demand.

When defining what's important in building a sustainable workforce, leaders' top priority was attracting and retaining talent. Strategies aligned to this priority included creating connection to the company purpose, demonstrating their commitment to diversity, equity and inclusion (DE&I) and offering a competitive salary. Leaders also cite training, digital workflows, automation, outsourcing and predictive capabilities as strategies toward supporting talent.

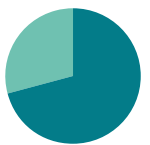
### Qualities of a sustainable workforce



Next, employers prioritize training and education. They identify the need to use technology to automate and streamline workflows. But 72% rated outsourcing of the supply, revenue cycle, IT and coding as extremely important. And nearly the same percentage say that forecasting with agile planning, automated staffing and predictive analytics are priorities.

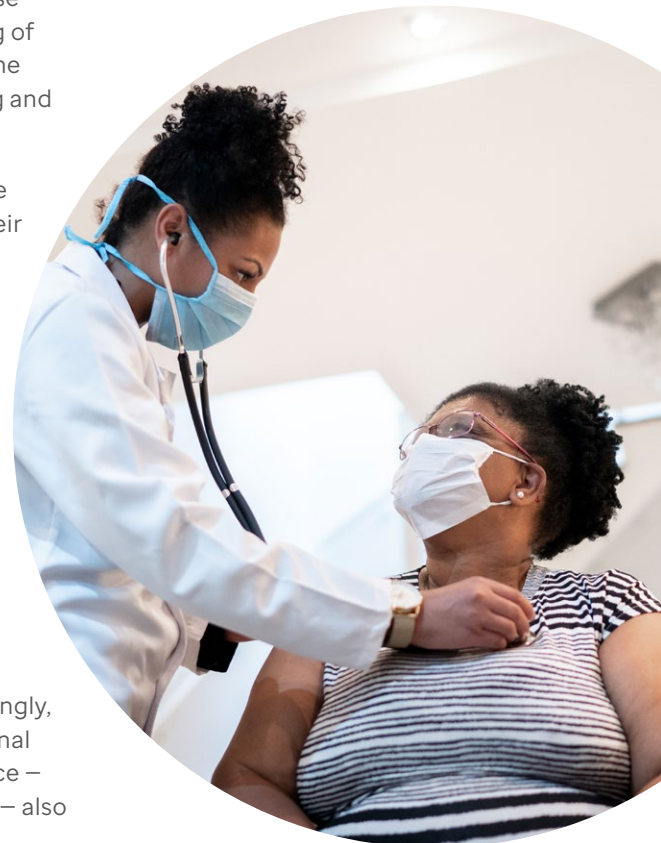
This indicates that leaders are expanding their set of tools and strategies to be more focused on what they control in-house and to be more precise about their workforce investments and decision-making.

## Workforce investment priorities and the role of partnership

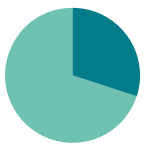
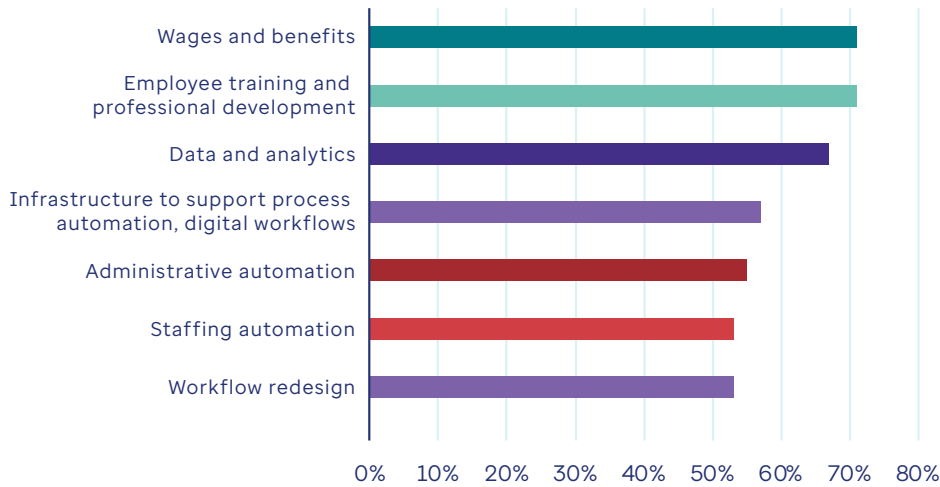


71% of leaders ranked wages and benefits and employee training and professional development as high investment priorities. However, the capabilities needed to support the workforce remain important.

Wages, training and data-driven workforce technologies lead investment priorities. When asked to prioritize investments for 2023 budgets, not surprisingly, leaders ranked wages and benefits as well as employee training and professional development highly. Even so, the capabilities needed to support that workforce – such as data and analytics, infrastructure, automation and workflow redesign – also remain high priorities for most leaders.



## Highly ranked 2023 investment priorities



Leaders select emerging technologies as areas of their business requiring external support from partners. Understanding core competencies remains key to investing in transformation but are not always well understood.

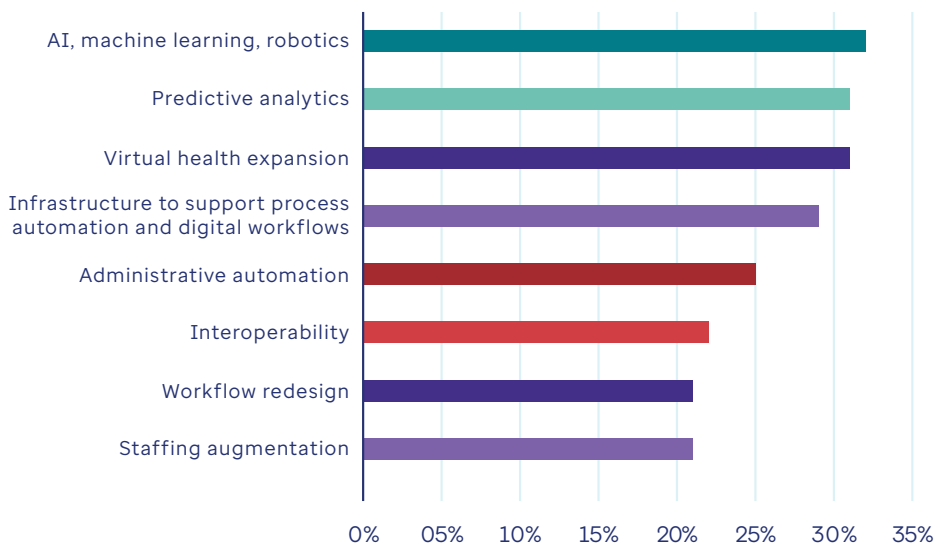
While leaders recognized gaps in their effectiveness at resolving workforce challenges, they don't prioritize partnerships to close them all. They do identify a need for external support with emerging technologies such as artificial intelligence (AI), machine learning, predictive analytics and virtual health. As organizations evolve, they need partnerships to access resources, insight and help carry the risk associated with transformation.



**Partnership is an enabler and an accelerator of transformation. It's tapping into capabilities that you may not have internally and creating the capacity to accelerate."**

**– Constance Thomason**  
 Vice President,  
 Payer Enterprise  
 Delivery Services,  
 Optum Advisory Services

## Top areas of business requiring partnership





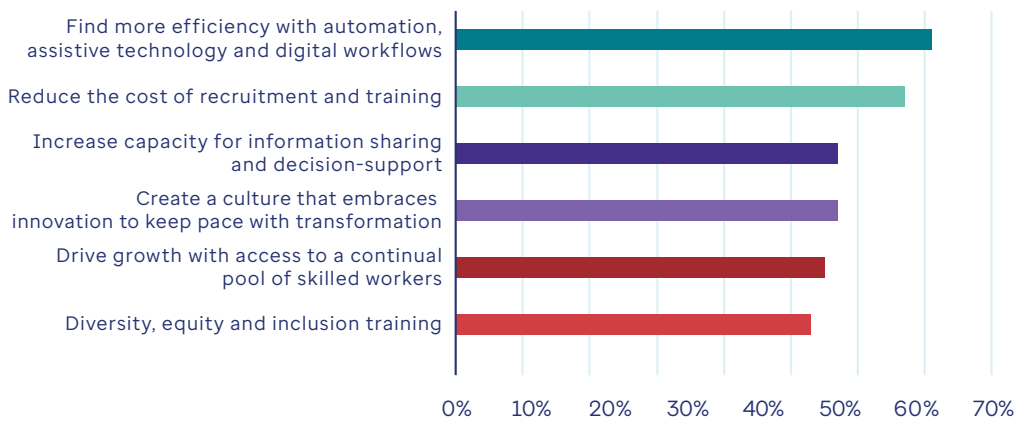
# Technology empowers a more human workforce



61% of leaders prioritize finding more efficiency with automation, assistive technology and digital workflows. New tools and technology must free the workforce to perform at the top of their capabilities and expand capacity.

Leaders see the connection between workforce challenges and the broader business problems they face. When asked to consider the last few years of workforce disruption and indicate how they prioritize goals today, leaders prioritized finding more efficiency with automation, assistive technology and digital workflows. Over half also wanted to reduce the cost of recruitment and training.

## Priority goals amid workforce disruptions



In the past decade, medical knowledge has experienced exponential growth. Technology advances are making it easier to virtually share insight, decision support and access human resources – not just across a system but across a region. It’s hard to keep up with the pace.

Many organizations recognize that the task of integrating technology to support a redefined workforce is significant– and one that cannot be achieved on the side. They are creating new leadership roles with the primary responsibility of guiding action and considering the business implications of new workflows, new staffing models and shifts in consumer demands. This level of leadership helps them holistically assess the workforce and the technology they have, what they need to keep and where they will invest.

But even the best technology is there to serve the human. Finding efficiency is not enough. Every new tool and workflow must free the workforce to perform at the top of their capabilities, expand their capacity to serve in new environments and give them the autonomy to take the best actions on behalf of consumers.



**There needs to be a dedicated role in leadership to study the impact of integrating technology into the workforce – mapping how it will adjust workflows, improve outcomes and empower employees. It will require new policies and new staffing models and they need to be designed thoughtfully.”**

**– Kristi Henderson**  
 CEO of MedExpress and  
 Optum Virtual Care; SVP,  
 Optum Center for Digital Health

# The connection between the workforce and consumers

Today health care workers are faced with a myriad of challenges – exhaustion and caregiving responsibilities chief among them. Employers are struggling with recruitment, training and wages. They are seeking new ways to give the energy, training and financial resources people need to thrive. Everyone wants a reliable, skilled workforce that has the motivation and talent to make a meaningful difference.

Even so, these challenges are not isolated. Care models, technology and market dynamics all play a part in shifts and perceptions among health care workers. All the while, consumer expectations continue to rise.

We do know that even beyond health care, a great consumer experience is also a great employee experience. In the modern age of health everything is connected – communities, individuals, employees and systems. Designing great experiences comes from a culture of inclusion, innovation and autonomy. Workers are seeking an environment where they can elevate their performance, grow new skill sets and find new ways to contribute to the health of their communities over the life of their career.

To meet this new mandate, leaders need complete information and good guidance to determine how to evolve their workforce. Addressing workforce challenges requires support at every level – operational, clinical, and financial – including:

- A deeper understanding of the individuals you employ
- An understanding of what they need to be inspired to stay
- Strategic alignment among leaders around business goals
- Internal leaders with the time to assess needs, propose workflows and plan technology integration
- A mission-driven culture of innovation and inclusion
- Partners that can close workforce gaps and grow your base of skilled talent

The workforce is changing, and the path forward is new. But leadership goals and priorities indicate advancements are underway to give them the tools and support they need to make the health care experience better for all. Becoming truly human-centric starts with your own health care workforce. Rebuilding trust, reconnecting to purpose and offering integrated, connected experiences can reap benefits well beyond today's challenges.



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