# Managing an Intergenerational Workforce: Strategies for Health Care Transformation

**2013 AHA Committee on Performance Improvement Report**
*January 2014*

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**Strategies for Health Care Transformation**
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A report from the AHA Committee on Performance Improvement

hospitals in **pursuit of excellence**™
Accelerating Performance Improvement

**American Hospital Association**

**This report was developed to:**

- Support hospital transformation as the health care industry shifts from volume- to value-based business models

- Address workforce management strategies that will help achieve Triple Aim outcomes—*better care, better health and lower costs*

**This report :**

- Introduces the four generations currently in the workforce

- Provides intergenerational management strategies

- Presents case studies of hospitals that have successfully deployed them

# Why Focus on Generational Diversity?

**The health care industry will face:**

- Workforce shortages due to aging employees
- More patients living longer due to new treatments and technology

This patient and workforce population shift will create a generational gap between older patients and younger health care providers, impacting the care delivered in hospitals.

# Cost and Benefit of Managing Generational Diversity

A generationally diverse workforce can influence organizational culture and ultimately affect the care delivered in hospitals.

**Organizations that effectively manage a diverse workforce will:**

- Thrive with a steady and able labor force
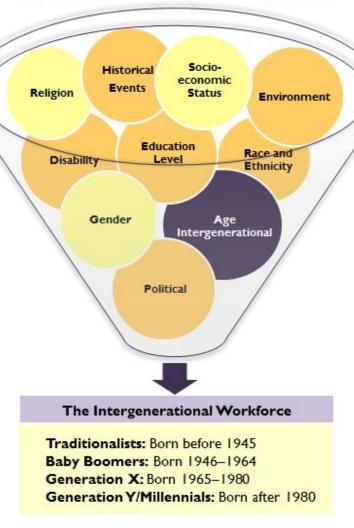- Perform optimally in clinical outcomes and patient experience

**Organizations that <u>fail</u> to effectively manage a diverse workforce will:**

- Experience high employee turnover
- Pay higher costs for recruitment, training and retention
- Have lower patient satisfaction scores and worse clinical outcomes.

Factors of diversity that influence the characteristics and attitudes of individuals



Religion · Historical Events · Socio-economic Status · Environment · Disability · Education Level · Race and Ethnicity · Gender · Age Intergenerational · Political

**The Intergenerational Workforce**

**Traditionalists:** Born before 1945
**Baby Boomers:** Born 1946–1964
**Generation X:** Born 1965–1980
**Generation Y/Millennials:** Born after 1980

Generational differences are only one factor of diversity, but they are rapidly changing workforce dynamics.

More than 60 percent of employers are experiencing tension between employees from different generations.

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# Four Different Generations

Each generation has different priorities, attitudes, communication styles and ways to engage with peers and work design that are influencing organizational culture and performance.

**Traditionalists** grew up during wartime and postwar periods and so lived in and adapted to an environment of scarcity.

**Baby boomers** lived in an era of global rebuilding and recovering economies and are optimistic about the future.

**Generation Xers** lived in a two-income household and are often described as the latchkey kids, who grew up to be adaptable and independent.

**Generation Y/Millennials** grew up in a modern society and are characterized as technologically savvy multitaskers.

# Four Generations in the Workplace

## Examples of Generational Similarities

Reasons for staying in an organization: Opportunity to advance within the organization; learning and development; respect and recognition; better quality of life; better compensation.

Concerns related to change: Doing the same work with fewer resources; change that is disorganized, unnecessary or both.

Top reasons for happiness in the workplace: Feeling valued; recognition and appreciation; supportive environment.

## Examples of Generational Differences

Communication styles: Traditionalists prefer formal communication; baby boomers prefer semiformal communication ; Gen Xers prefer a communication style that is not so serious or is irreverent;  millennials prefer an eye-catching and fun form of communication.

Attitude toward authority: Traditionalists accept and trust authority and hierarchy; baby boomers accept the rules as created by the traditionalists;  Gen Xers openly question authority; millennials are OK with authority that earns their respect.

The four generations are in different stages of their professional careers.



**Millennials** are slowly entering the workplace and are projected to comprise 50 percent of the workforce by 2020.

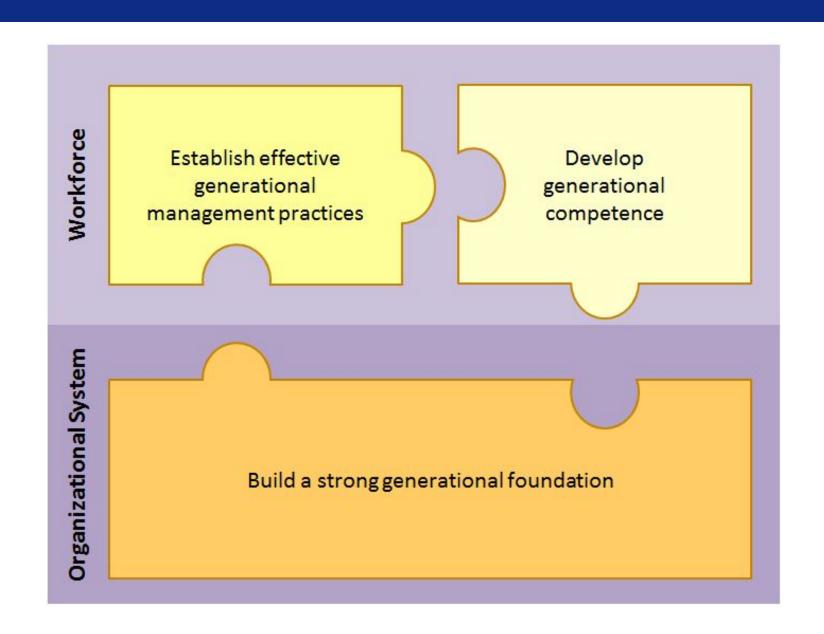**Generation Xers** are advancing their careers. Most of them are middle managers.

**Baby boomers** currently fill leadership roles today. While they are approaching retirement, many will delay it and work longer because of the detrimental impact of the 2008 recession on their retirement accounts.

Most **traditionalists** have already retired. Only about 5 percent or less are active in the workforce today.

# Deploying the Three Strategies

## Build a strong generational foundation

Conduct an intergenerational evaluation to determine the organization's workforce profile

Acquire intergenerational talent
- Targeted recruitment efforts
- Website, social media presence of company brand
- Job descriptions connecting tasks/role to organization's mission and values
- Job mobility
- Interactive employee handbook

Segment retention strategies
- Tailored support services
- Flexible work options
- Educational and career development programs
- Supplemental income opportunities

## Establish effective generational management practices

Customize management and communication styles
- Flexible work hours
- Orientation and development programs

Leverage employees' strengths

Tailor recognition and rewards

Encourage collaboration in the workplace
- Intergenerational training opportunities
- Social media platform for employee engagement
- Inclusive planning and decision-making opportunities
- Succession planning strategy

## Develop generational competence

Develop generational understanding

Participate in formal mentoring programs

Improve communication skills and generational sensitivity

# Building a Strong Generational Foundation

**Conduct an intergenerational evaluation to determine your organization's workforce profile**

- It is essential to know which generations and how many employees from each group are in your organization to forecast future workforce needs and develop a comprehensive plan that addresses generational risks.

**Acquire intergenerational talent**

- Attracting a generationally balanced workforce will enhance your organization's talent pool and provide a competitive edge.

**Segment retention strategies**

- High turnover rates are expensive in terms of recruitment, training costs and loss of organizational knowledge.

**Customize management and communication styles**

- A "one-size-fits-all" approach to managing and communicating is not effective with four generations in the workforce.

**Leverage employee strengths**

- Understanding the different skills and strengths of each generation can help managers and supervisors create effective teams.

**Tailor recognition and rewards**

- Each generation expects to be rewarded differently, not just in terms of compensation, but also in terms of recognition at the end of a successful project or acknowledgment of ideas.

**Encourage collaboration**

- Social interaction increases collaboration in the workplace.

# Developing Generational Competence

**Develop generational understanding**

- Educational training opportunities and professional development activities can break down generational stereotyping and avoid friction between the different groups.

**Participate in formal mentoring programs**

- Mentoring and shadowing programs enable individuals to develop tools to effectively work with others from a different generation.

**Improve communication skills and generational sensitivity**

- Since each generation has a very different style of communicating, all individuals must learn and understand generational differences and similarities to effectively work with their colleagues.

# Case Studies

The following innovative hospitals and care systems have applied a combination of the three strategies:

- Atlantic Health System

- Baptist Health Lexington

- Beaumont Health System

- Eastern Idaho Regional Medical Center

- ProMedica

- Texas Health Resources

# Atlantic Health System

## Background:

Atlantic Health System owns and operates Morristown Medical Center, Overlook Medical Center and Newton Medical Center, all in New Jersey.

## Examples of strategies :

- Established recruiting practices that target baby boomer employees by reaching out to clubs, placement agencies and events geared toward the 50+ population.

- Provides support services catered to each generation (e.g., installed track ceiling lifts to reduce the stress and strain of moving nonmobile patients, especially among clinical staff who are baby boomers and traditionalists.)

- Established the 1,000 Hour Club that allows retirees to return to part-time and per-diem work three months after they start receiving retirement benefits.

## Results:

- Since 2006, AARP has honored Atlantic Health System as one of the best employers for individuals age 50 and over because of its progressive workplace policies and practices designed to attract and retain older employees.

- The track ceiling lifts reduced injuries and improved the quality of life for more than 1,000 employees in 33 departments. With nearly 320 ceiling track lifts installed, the health system had reduced lost workdays and associated costs by 40 to 60 percent.

# Baptist Health Lexington

## Background:

Baptist Health Lexington, in Lexington, Kentucky, is a 383-bed hospital that serves as a medical research and education center.

## Examples of strategies :

- Established a shared governance model that provides generationally diverse employees an opportunity to collaborate with colleagues and organizational leaders to shape the work environment.
- Created the Evolving Leaders Program to develop current and emerging leaders of the organization.

## Results:

- The Nursing Leadership Council, as part of the shared governance model, was able to set standards and policy, which helped shape nursing practices at Baptist Health Lexington.
- About 50 percent of new managers and department directors, as they are hired into the organization, have enrolled in the Evolving Leaders Program. The other 50 percent enter the program sometime during the year as they complete leadership orientation and fully acclimate into their roles.
- Over a three-year period, 75 percent of nurses who participated in the Evolving Leaders Program were promoted to formal nurse manager and positions that were extended.

# Beaumont Health System

**Background:**

Beaumont Health System serves the Detroit metropolitan area with hospitals in Royal Oak, Troy and Grosse Pointe, Michigan, six medical centers and four nursing facilities.

**Examples of strategies :**

- Developed an administrative fellowship program, as a succession planning strategy, designed to prepare recent graduates for hospital leadership roles.
- Hosts an annual diversity conference; in 2009 the theme was "Generational Diversity in the Health Care Workforce."
- Offers a course called "Generation Sensation" that is open to employees of different ages.

**Results:**

- As of 2013, three individuals who participated in the administrative fellowship program have held key leadership positions at Beaumont Health Systems.
- The 2009 annual diversity conference was the best-attended and well-received event. Approximately 300 employees participated including physicians, organizational leaders and volunteers.
- Through small group discussions and interactive exercises in the course "Generation Sensation," participants gain strategies to help combat the potential conflicts that can occur because of generational differences.

# Eastern Idaho Regional Medical Center

## Background:

Eastern Idaho Regional Medical Center is located in Idaho Falls, Idaho. Its service area has a population of about 350,000.

## Examples of strategies :

- Offers self-scheduling for nursing staff. Nurses have the option to work four-, eight- or 12-hour shifts.

- Educates managers and directors on intergenerational topics to help them understand the complexities of managing a diverse staff.

## Results:

- The intergenerational strategies contributed to improvement in employee retention. The nursing turnover rate decreased from 15.7 percent in 2012 to 13 percent in 2013. No other departments have more than a 10 percent turnover rate. Previously, there were departments with turnover as high as 33 percent.

- The intergenerational training and development program contributed to greater understanding and tolerance of different generations and increased collaboration.

# ProMedica

## Background:

ProMedica is a nonprofit health care organization based in Toledo, Ohio. The 11 hospitals in the network serve 27 counties in northwest Ohio and southwest Michigan.

## Examples of strategies :

- Focused on recruiting students, training physicians and allied health professionals by forming a partnership with University of Toledo to establish an academic health center that would expand their residency programs.

- Expanded its summer youth program in partnership with United Way. The program—aimed at disadvantaged youths ages 16 to 21 in the Toledo area—provides participants with eight weeks of 24-hour per week employment.

## Results:

- In the first year of the academic health center, residency rotations grew from 17 to 31 in the academic year. By 2016, University of Toledo learners at ProMedica will increase to 63 residency rotations, of which 29 are new rotations and 26 are expanded rotations.

- More than 250 youth candidates applied for the 2013 summer youth program, and 70 were hired for the 24-hour-per-week positions.

# Texas Health Resources

**Background:**

Texas Health Resources is a health care delivery system located North Texas. Its service area consists of 16 counties with a population of 6.2 million.
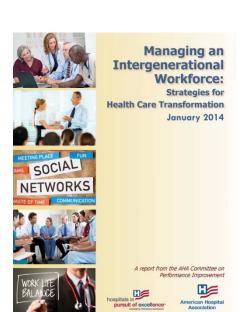
**Examples of strategies :**

- Collected data to determine the workforce composition of its hospitals, clinics and other facilities  and leveraged the results of its workforce diversity evaluation to manage its intergenerational workforce and craft meaningful human resources strategies and interventions
- Created a YouTube channel that is customized and maintained to draw a wide audience, including job seekers
- Used blogs and social networks like Facebook, Twitter, Pinterest and other portals to create and build a community

**Results:**

- Managing the intergenerational workforce improved employee engagement and team interactions. The 2013 Press Ganey employee survey received a 92 percent participation rate, well beyond the national average response rate of 60 percent to 65 percent
- Because of its robust social media presence, the health system was able to hire a diverse workforce from a variety of online sources.
- The use of social media platforms has contributed to increased employee engagement.

# Resources for Managing an Intergenerational Workforce

**AHA Resources**

Hospitals in Pursuit of Excellence

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**AHA Guides**

How Hospitals Can Build a Thriving Workforce
Workforce 2015: Strategy Trumps Shortage
Developing An Effective Health Care Workforce Planning Model
Using Workforce Practices to Drive Quality Improvement: A Guide for Hospitals
Leading Improvement Across the Continuum: Skills, Tools and Teams for Success

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**Other Resources**

H&HN: Generations in the Workplace
The 2020 Workplace