



## FOCUS ON THE HEALTH CARE SECTOR

Viewpoints 2002

**Focus on the Health Care Sector  
Viewpoints 2002  
Canadian Labour and Business Centre**

The Canadian Health Care system is facing significant challenges that are evolving over time. In addition to the central issues of funding and delivery models, health care is confronting important human resource issues. Demographic trends combined with anticipated growth in demand for skilled health care professionals point to skill shortages as a serious issue to be faced by the health care system and the people it serves.

In April and May, 2002, the Canadian Labour and Business Centre surveyed 1,145 leaders from the business, labour and public sector communities to determine their perspectives on a range of social and economic challenges facing the country. In a recent report based on this survey data, the CLBC showed that managers and labour leaders in both the public and private sectors, and across the country, ranked health care issues as a number one concern.

In this focus article, we take a closer look at a variety of human resource and skills issues as they pertain to the health care sector, and explore some of the possible solutions from the perspectives of health sector managers and labour leaders.

Our Viewpoints 2002 survey included a sub-sample of 80 health care sector managers (hospital administrators, facilities supervisors, presidents and CEOs) and 40 labour leaders (primarily local presidents representing health care workers). Although this sample of health care sector leaders is small, their perspectives provide us with important insights about some of the issues and challenges in the health care sector.

**Working in Health Care – A Worsening Situation**

In our Viewpoints Survey, we asked managers and labour leaders to evaluate twelve specific areas of performance, ranging from absenteeism to worker morale (see Table 1). On *every* indicator, health care managers and labour leaders are more likely than their respective counterparts in other sectors to say things got worse over the past two years. Some examples:

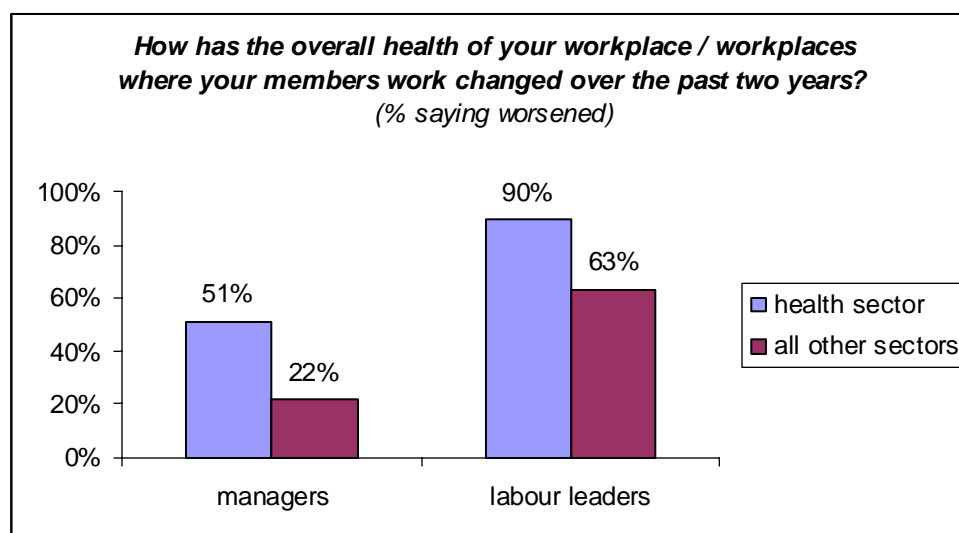
- Health sector managers are twice as likely as managers in other sectors to say worker motivation and working relationships worsened.
- The percentage of managers saying workplace violence worsened is three times higher in the health sector than in other sectors (16% compared with 5%).
- Three quarters of health sector managers said stress levels worsened.

What does it mean? In the health sector, a sizable share of managers and labour leaders feel productivity has suffered, and the ability to attract and retain much needed health workers is going in the wrong direction. Nearly one-half of health sector managers (47%) said their ability to attract new employees has worsened in the past two years. This

percentage is twice as high as found for managers in other sectors (22%). To add to the problem, over one-third of health sector managers say their ability to keep existing workers has also worsened (compared with 18% of other managers who said this).

<b>Table 1</b>				
<b>Perceived Change in Workplace Performance</b>				
<b>(% saying performance area worsened over the past two years)</b>				
	Managers		Labour Leaders	
	Health Care Sector	All Other Sectors	Health Care Sector	All Other Sectors
Worker Morale	58	34	92	83
Worker Motivation	40	23	80	67
Working Relationships	31	14	74	58
Work/Family Pressures	63	41	92	73
Environmental Safety	6	1	49	33
Workplace Violence	16	5	68	40
Workplace Injuries	27	12	76	39
Stress Levels	76	57	95	82
Absenteeism	54	33	87	54
Productivity	22	15	41	26
Ability to Attract Employees	47	22	69	41
Ability to Retain Employees	37	18	71	46

When asked how the overall health of the workplace had changed over the past two years (or the workplaces where “your members work” in the case of labour leaders), a majority of health sector managers (51%) and nearly all health sector labour leaders (90%) said it had worsened. This negative view of workplace change was far more common in the health sector than in other sectors, where 22% of managers and 63% of labour leaders said the overall health of the workplace had worsened.



### Why Things Have Worsened

Respondents who said the overall health of the workplace had worsened were also asked to indicate the reasons for this worsening. A list of ten possible reasons was provided and respondents could choose all that applied. The results are shown in Table 2 below.

The most commonly cited reason for the worsening workplace is *increased workloads* (93% of health sector managers and 97% of health sector labour leaders).

Given the problem of increasing workloads, it is hardly surprising that the second most commonly cited reason for the decline in the overall health of the workplace is a growing problem balancing work and family life. Health sector labour leaders also feel that reduced employee influence over work has contributed to a worsening workplace, a view not generally shared by health sector managers. A large percentage of health sector managers and labour leaders viewed worsening communications and trust as an important factor in the decline of overall workplace health.

	Health Sector Managers	Health Sector Labour Leaders
Increased workloads	93%	97%
Work-family balance worsened	63%	80%
Reduced employee influence over work	24%	80%
Communication / trust worsened	46%	74%
Decreased focus on workplace wellness	15%	49%
Reduced employee training	7%	34%
Decreased focus on safety	7%	31%
Job security worsened	24%	31%
Increased technological change	24%	29%
Reduced organizational success	10%	11%

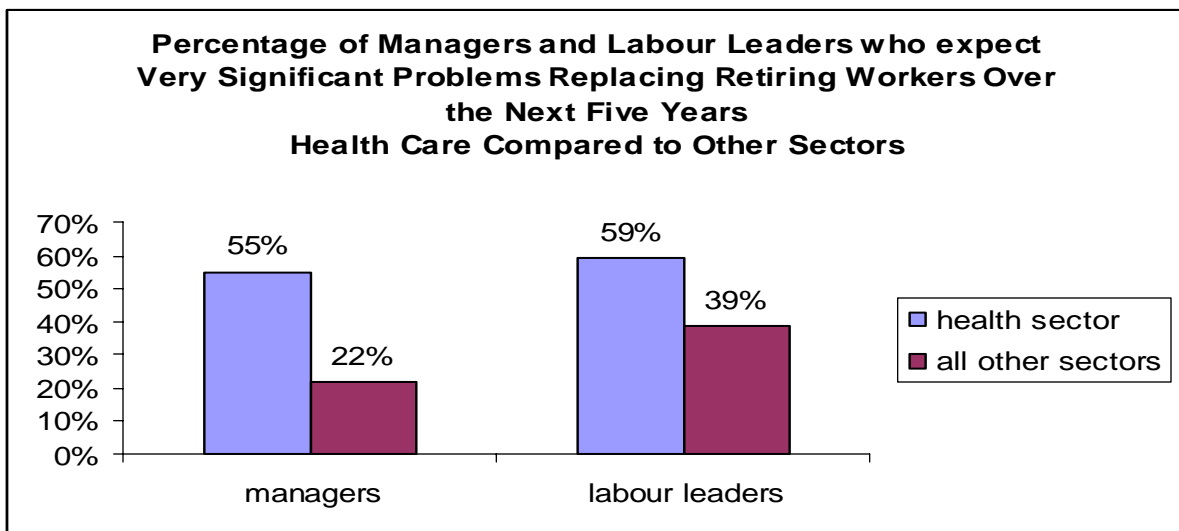
### An Age-old Problem: Workforce Demographics

The problem of increased workloads is affected and further compounded by workplace demographics. The Canadian Institute for Health Information for example, reports that nearly one-half of working nurses are aged 45 and over. Of the 80 health sector managers interviewed in our Viewpoints Survey, 68% said they expected that 10% or more of their workforce would likely retire within the next five years. Some health sector managers (about one in five – 19%) expected to lose more than 25% of their workforce to retirement in the coming five years. These expectations of retirement are considerably higher than found among managers in other sectors.

With the retirement issue looming and the problems of increasing workload mounting, health sector managers tell us that they are actively addressing the question of replacing workers who retire. Seven out of ten said that their organization is active on the issue, with a significant 40% saying “very active” (for comparison, only 17% of managers in sectors outside of health said they were very actively addressing the retirement issue).

But while managers in health care may be more active on the issue of replacing retiring health care workers, it doesn’t mean they have the problem solved. When asked if they expected to face any problems replacing retiring workers, over one-half said “yes, very significant problems” (see Chart below). In contrast, only 22% of managers in other sectors felt there would be “very significant problems” replacing retiring workers.

Managers gave several reasons for the expected difficulty in replacing retiring workers, including a lack of qualified new graduates (71%), competition from other employers for new workers (65%), and difficulties increasing compensation to attract workers (59%).



### Meeting Skill Needs in the Health Care Sector

We asked our survey respondents to consider the importance of various actions in addressing their organization’s skill requirements, not just those stemming from retirement, but from all factors. Labour leaders were similarly asked to comment on the skill requirements of the organizations where their members work. The Viewpoints Survey included a list of 15 possible actions, and managers and labour leaders told us whether the specified action was “not important”, “somewhat important” or “very important”. The results are shown in Table 3 below.

Health sector managers and labour leaders generally agree on the actions most important in addressing skill needs in the sector. These actions include: introducing policies and

initiatives aimed at retaining current employees; upgrading the skills of current employees; improving succession planning and mentoring of young workers by older workers; and, hiring young labour market entrants.

There were some actions which did not receive the same emphasis by health sector managers and labour leaders. Most notably is phased-in retirement, which two-thirds of labour leaders view as a very important action for meeting skill needs. Only about one-quarter of managers see phased-in retirement as “very important”. On the other hand, health sector managers were more likely to say that attracting workers from other organizations was very important (47% of managers compared with 24% of labour leaders).

	Managers		Labour Leaders	
	Health Care Sector	All Other Sectors	Health Care Sector	All Other Sectors
Specific measures to retain current employees	61	45	74	46
Upgrading skills of current employees	61	60	74	61
Hiring young labour market entrants	60	37	43	46
Improving succession planning	58	55	76	58
Mentoring of young workers by older workers	50	46	69	60
Attracting workers from other organizations	47	25	24	17
Changing job descriptions / reallocating work	43	26	41	20
Phased-in retirement policies	26	19	67	43
Hiring foreign-trained workers	18	8	21	11
Hiring Aboriginals	18	12	28	21
Contracting out	15	13	11	19
Hiring visible minorities	14	9	34	19
Downsizing	10	8	10	17
Substituting machinery / equipment for labour	9	12	5	16
Hiring workers with disabilities	8	6	16	15

### Commentary

The CLBC Viewpoints 2002 survey adds a new measure of comparison on the human resource issues facing Canada's health care sector. While acknowledging the limitations of the survey size, these findings demonstrate a significant convergence of view among both management and labour leaders in the health care sector. As public policy attention is directed at possible reforms to Canada's medicare system, this evidence suggests that urgent action is required to rebalance the human resource equation in this sector of the economy.