

BUILDING A STRATEGIC WORKFORCE FOR CRISIS RECOVERY

As healthcare organizations shift from response to recovery phases of the COVID-19 pandemic, the focus will be on how to stabilize operations while determining what fundamental changes will have to be made to thrive in a new healthcare landscape.

Crises reveal opportunities and spur innovation. Now is the time for leaders to not only recover but consider how to reposition their organizations to capture lost value and gain new market share.

Agility and the ability to make quick and accurate decisions, particularly regarding costs and expenses, are foundational to thriving in an industry battling economic uncertainty, shifting consumer behaviors and looming concerns of coronavirus resurgence.

Since labor typically comprises 50% to 60% of a healthcare organization's total expenses, it is important to understand the impact demand changes and growth strategies will have on capacity, operations and staffing strategies by service line. Provider and staff needs, employee retention, burnout, and attrition are all considerations for a workforce strategy that supports care redesign, financial stability and a realigned operational framework.

Staffing Changing Care Models

Organizations are deploying unexpected and creative methods to accommodate care needs through workforce adjustments. It is critical to evaluate how these adjustments will affect future care processes and delivery models. The following actions will be important to that evaluation:

- Assess how changes in volume and consumer demand, including shifts to telehealth and virtual health services, will affect clinical and nonclinical staffing, workload, skill needs and care processes.
- Revisit pre-crisis and industry standard ratios and roles for clinical care and support services and ensure alignment with new regulatory and licensure requirements.
- Evaluate the effectiveness of new clinical processes implemented during the crisis to determine their impact on outcomes, satisfaction, safety and staffing.
- Establish infrastructures to increase long-term workforce flexibility and to ensure top-of-license work for all roles.
- Strategically rationalize service lines and optimize the health system's physical footprint, redeploying resources accordingly.

Aligning the Workforce for Financial Stability

After an extended period of revenue loss resulting from deferred services and consumer avoidance of care due to COVID-19, organizations are deploying various strategies to [achieve the financial stability](#) needed to deliver on their missions. Maintaining liquidity, [accelerating cash flow](#) and cutting expenses are key to any strategy. Strategies often call for aligning cost to volume, including labor costs. Consider the following labor cost initiatives:

- Carefully consider opportunities to optimize labor expenses, which may include early retirements, furloughs or reductions in force (RIF).
- As need and volume increase, leverage vacancy review principles to evaluate lifting hiring freezes and furlough reversals.
- Reduce contingent labor and/or eliminate agency, unnecessary overtime and on-call hours.
- Consider modifying and redesigning benefit plans, paid time off policies and retirement plan contributions.
- Evaluate the need to reduce salaries and defer bonus/incentive programs, merit increases and other compensation programs.
- Ensure adequate staff is in place to serve anticipated volume increases so opportunities for growth or new market share are not lost.

Rethinking the Organizational Framework and Operations

As organizations recover and reposition for the future, it will be critical to align their growth strategies, operating models and governance structures. Understanding that the market has changed and will continue to change as consumers experience the deeper economic effects of COVID-19, organizations will have to quickly and decisively

evaluate whether their existing organizational framework supports their new near-term and long-term plans. For many, alternative organizational structures (e.g., horizontal, vertical, hybrid) and operating models will be needed to address the demands of the new market while continuing to serve the mission of the organization.

Change management and communication strategies will be key to maintaining employee engagement and alleviating dangerous levels of burnout in physicians and staff during and after the crisis. Strong engagement enables organizations to be agile in decision making, accelerate through recovery and excel in the new healthcare landscape.

Below are considerations for creating better organizational alignment for recovery and beyond:

- Make bold, data-driven decisions about how to adjust or redesign operational frameworks to support growth strategies and reposition priorities.
- Invest in consistent, transparent and purposeful messaging framed by first explaining the “why” of change, followed by “what” will change and finally “how” it will change.
- Implement workforce engagement strategies that promote discretionary effort and improve productive capacity.
- Embrace disruption by encouraging leaders to present new ideas for performing at a higher level.
- Establish processes and tools to anticipate and proactively respond to changes in service demand.
- Evaluate low-value work and reimagine how essential work gets done via business process redesign and technology such as automation.
- Leverage virtual work models and continually evaluate their effects on productivity, staff engagement and consumer needs.

For more information, [contact us](#) or visit our [COVID-19 resources page](#), including the [Huron Stimulus Relief Gateway](#).



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