

Introduction: The Human Margin

HEALTHCARE IS A very special industry. Unlike professionals in so many other industries, those working in healthcare have a chance to directly affect the lives of others in remarkable ways. One of the many ways healthcare is different from other industries is that the core business is produced not by expensive equipment like offshore oil rigs or factories but by people. Yes, we have fancy equipment, but it is not the tools that produce patient care; it is the people.

In its simplest form, healthcare is humans working with humans to heal humans.¹ Sister Irene Krauss, a nun with the Daughters of Charity, famously coined the phrase “No margin, no mission,” which has now become pervasive in the industry. Three margins are typically emphasized when measuring organizational performance:

1. **The financial margin.** Do we have enough money to keep the doors open, pursue our mission, and grow for the future?
2. **The operational margin.** Do we have enough beds, space, speed, supplies, and quality?
3. **The human margin.** Do we have the staff available to meet the needs of the patients and their families?

This book is designed to provide a helpful guide to diagnosing our teammates’ needs and creating a path to take the “people piece”

to the next level and beyond. As people reevaluate their lives and work, creating healthy environments where employees can thrive is more important than ever.

We define the human margin as having a thriving workforce that is supported in bringing their best selves to one another and to our patients. When we consider the strength of our human margin, here are some questions to ask:

- Are there enough employees to create a sustainable pace of work?
- Can our employees bring their best selves to work?
- Do our employees have enough mental and emotional capacity to bear the inherent stresses of the work and to show empathy in the face of great suffering?
- How do we create an environment for our people to thrive so they can care for our patients and one another?

WHAT WE AIM FOR MATTERS

Organizations know that the goal is more than reducing turnover or burnout. While these are worthy pursuits, we all know we must aim higher.

The mission, vision, and values of an organization convey just that: a mission. Most healthcare mission statements involve some variation on the theme of “we provide the best possible care to people in the community, region, state, or world.” To accomplish that, we must have a healthy, vibrant workforce. And for decades now, research has shown a correlation between how employees feel and the care they provide.²

We also know that healthcare organizations, and thus their employees, are vital members of the community. Providing healthy work for healthcare employees has always been central to the mission of caring for the health of the community. The healthcare sector is the largest industry nationally.³ In many areas, healthcare

organizations are collectively among the largest employers in the community—it takes many hands to do the work. Our healthcare workforce *is* the community, and the community cannot be healthy without healthy work.

So What Do We Aim For?

We want people to flourish at work so that they can bring their best not only to patients but also to one another. The brain on chronic stress is not optimized for decision-making, which is scary when we think about the complexity of delivering high-quality care. Creating conditions that allow people to flourish at work solves a lot of problems. We increase our chances of delivering the best care, set our caregivers up to create a great experience for one another, and keep our human margin healthy now and for years to come. Healthcare workers tell their friends and children to join the special industry of healthcare, and our future looks a little brighter.

If we want our people to flourish, there are a few ways to get there. Seligman's PERMA model of flourishing suggests that people need the following basic elements to flourish:

- P—Positive emotions such as happiness, gratitude, and hope
- E—Engagement (being fully immersed in our work or being in a state of flow)
- R—Relationships that are healthy and nurturing
- M—Meaning and purpose
- A—Achievement⁴

The great news is that, relative to other industries, healthcare gets an A+ on meaning and purpose. The opportunities to directly affect another person's life and change it for the better arise multiple times a day, often with immediate evidence of the impact. It is incredible. Our research shows that 89 percent of caregivers (including

nonclinical employees and leaders) find their work meaningful.⁵ For most, it is a *calling*.⁶

Because people are so purpose driven, they keep going even when it would be good to seek help. Clinical training is rigorous and long. When times get hard, we tend to stick it out because we want to stay connected to our calling. Caregivers are so committed to the cause that they will often sacrifice their own well-being and boundaries to serve patients. This is not sustainable, and meaning and purpose ultimately aren't enough to counteract broken systems. You might think of this as a "purpose penalty." Our own data show that although a sense of meaning and purpose will help people stay in their jobs, the effect is not strong enough to counter burnout, negative cultures, and poor working conditions. Burnout was the number-one reason people intended to leave; a lack of meaning in work was ranked ninth.⁷

Because of the COVID-19 pandemic, intense documentation required of healthcare providers, and payer shortfalls, increasing numbers of physicians, nurses, and other caregivers are planning to leave their organizations and, in many cases, the healthcare field altogether. The exodus of one physician from the industry takes a minimum of 12 years to replace, and a bachelor's-prepared nurse takes four. An entire generation of high-school and early-college students is preparing to enter the workforce. What careers will they choose? Ensuring that our human margin remains intact is one of the grandest challenges of healthcare.

Our 2020 survey of healthcare workers asked what would improve their well-being or experience at work. One response stood out:

"To feel that I am not expendable."

We all know how important healthcare workers are. Even when we've done our best to care for our people, we need an even greater focus on the human margin than ever before because of all the aforementioned external factors. Our future depends on it.

Every person in healthcare plays a role in shaping the experiences of their colleagues, but the role of leaders is especially important.

Midlevel leaders are the key to great performance. By “midlevel leaders” we mean all the leaders between the senior executive team and the frontline employees, both clinical and nonclinical. They hold titles such as director, manager, and supervisor.

In general, leaders usually considered to be in the middle are not in the C-suite. However, even people in the C-suite can find themselves situated between the CEO and others. CEOs can feel that they are in the middle between their leadership team and the Board. The key is for all people in a leadership role to attain the skills needed for their specific role. The organization with the best midlevel leadership team wins. Why?

- They affect a higher number of people than any other group. The vast majority of workers in an organization report to someone in the middle.
- They have a huge impact on attracting and retaining talent and shaping how people feel about their jobs.
- They are the eyes and ears on the ground. They know where the performance problems are, and they know who is doing well. They know which processes need fixing.
- They are responsible for bringing out the best in people. They inspire and nurture creativity, innovation, and teamwork. They look for potential mental health issues, broach sensitive conversations, and steer people to the right resources.
- They lead people through crises and keep them focused on mission and purpose.
- They make change happen. Because they’re the ones who roll out initiatives from senior leaders, they need to understand the psychology of change and move people through the various stages.
- Finally, they have a tremendous influence on how everyone else views the entire organization.

BEING IN THE MIDDLE IS HARDER THAN EVER

Though midlevel leaders are well positioned to make a huge difference, they have an incredibly tough job and—more often than not—very little training. Leadership is complex for everyone but especially for those in the middle. There is more pressure for results, more need to support struggling employees, more turnover, more retention issues. Midlevel leaders are perpetually asked to do more with less. They are expected to navigate a maze of demands and meet the needs of diverse stakeholders.

The pressure comes from all directions. Leaders in the middle are asked to produce results and make sure senior leadership is happy while also meeting the needs of employees and patients. They have the tough balancing act of building rapport with their team while also needing some distance to maintain professionalism. They may lack clear expectations, resources, or the skills and knowledge to hit the metrics they're being asked to hit.

Yet even with all these leaders' responsibilities and pressures, organizations don't always invest in this group in the way they need and deserve. Many great educational programs exist to prepare someone for a leadership role in healthcare, yet only a small percentage of those in a leadership position have a degree in healthcare management.

What about the rest? We are reminded of a joke: *What is the difference between a person in a staff role on Friday and a leader on Monday? A weekend to think about it.* People often feel thrown into a leadership role with little preparation. If a person balks, their leader might say, "Can you help us out in the interim?" Healthcare people are team players, so they usually say yes to the interim role, but they may not have the opportunity to get the skills and training they need to perform well.

Healthcare is turbulent and fast-paced, and the environment is changing constantly and rapidly. New leaders or leaders in a new role quickly find themselves in unfamiliar territory. Each role brings additional opportunities and requires the leader to take their skills to the next level.

WE'VE REACHED A TIPPING POINT

Midlevel leaders are beginning to buckle under the pressures they face. The pressure is taking a toll on their mental health. We found that in every clinical and nonclinical category, people with supervisory responsibilities were more stressed compared to those who did not manage others. Furthermore, the research laid out in this book makes it clear that a significant gap exists between what C-suite leaders are doing and what the front line *thinks* they are doing. Only the leaders in the middle can close that trust gap.

Research shows that *trust in senior leadership* and *organizational support* are very important for retaining employees.⁷ The perception of trust and support involves a combination of senior-leader behaviors and communication in addition to how leaders in the middle shape employee perceptions of what is happening at the top of the organization. Senior leaders can help those in the middle to share vital information with their direct reports and to respond to their questions. In addition, training leaders is one of the most important investments a CEO can make in their teams. If midlevel leaders do not feel supported and equipped, they might unintentionally portray the senior team (and thus the organization) in a less-than-positive way.

To understand why the organization with the strongest midlevel leader team will always perform the best, look at the numbers in your organization. Start with the number of employees who are not in a leadership role. Do the same with the number of employees who have a leadership role but are not in the C-suite. Then calculate the number of people in senior leadership. You will find that a large percentage of the workforce reports directly to someone who is not in senior leadership. The biggest influence on workers' feelings about the organization is the person to whom they report.

The biggest impact on the strength of those in the middle comes from the organization's commitment to their skill and career development. That is whom this book is focused on: those vital difference

makers in the middle. It is our hope that the tips and tactics we share will help these already-talented individuals get even better at creating the conditions that enable healthcare's best and brightest to flourish and thrive.

If you are in the C-suite and are reading this, you know how important skill development was for you. This is particularly true for those who are not in a position to receive formal education such as a bachelor's or master's degree in healthcare administration, public health, or business administration. This book will assist you in paying it forward to your midlevel leaders.

For those who are not yet in management, this book is meant to make the transition easier. Not easy, for leadership is never easy (particularly at first), but easier.

For those in the middle, this book is an indication of the love and respect we have for you. Never underestimate the difference you make.

THE APPROACH

Our goal is to support leaders in using an evidence-based approach to maximizing the human margin. We aim to briefly explain the relevant research; apply it to real life; and provide words, phrases, and tools you can use right now.

Behaviors can be predicted. When we understand how our brains, motivations, and reactions work, we can navigate logically and get the results we want for ourselves and our teams. However, even though we have spent most of our lives interacting in human relationships, navigating them is not always intuitive. The great news is that there are equations to help us understand.

The book will combine findings from the academic literature in many industries, as well as original research, with over 10,000 observations that chronicle the healthcare employee experience over the course of several years. You can read more about the research design and approach in the peer-reviewed articles about the research

(see Appendix). Two themes arising from this research highlight the importance of this approach.

First, what people *say* is the cause of their intent to leave the organization (wages and compensation) may be different from what factors statistically predict their such intentions (trust). Without an understanding of the science, it is easy to act on what people are saying rather than on what is most likely to fix the problem. Second, the data show that leaders themselves are at high risk for burnout and distress, so they need support in addressing the growing challenges we face in the workplace. Financial resources are thin and stakes are high, so leaders cannot afford to operate in the absence of evidence.

If you work in healthcare, we believe that you genuinely want to help others and do the right thing. Figuring out what to do and how to do it is often more challenging. When we ask people to focus on fewer things, those things can be consistently executed, they will happen more frequently, and the results will be better.

Less = consistency = always = better outcomes

Healthcare is a team sport. Throughout the book, we will use the term “caregivers” or “employees” to refer to anyone in the healthcare organization’s workforce, both clinical and nonclinical. We will use the term “clinicians” to refer to those who are specifically involved in direct patient care.

After working with and studying caregivers for many years, we remain awed by their passion and commitment to serving their patients despite impossible conditions and personal sacrifices. We want to help those passionate and dedicated people reduce friction in their work and strengthen their connection to the purpose and meaning in healthcare by having the right tools at their disposal.

We will start with a brief survey of external forces that complicate the human margin and a high-level overview of the research related to well-being, recruitment, and retention of the healthcare workforce.

There are so many findings from the research that we would love to write about. However, we decided to zero in on the things

we feel have the best chance of having an effect today. For now, we've created a book that's helpful and informative without being overwhelming. The remainder of the book will focus on specific elements that have the best chance of improving our human margin, based on our own original research and on decades of scholarship on human behavior and motivation:

- Trust
- Communication
- Belonging
- Recognition
- Fairness
- Autonomy
- Well-being
- Peers/coworkers/healthy teams
- Leadership development
- Change management

We will explain each concept, give an overview of what we know from the research literature, and close with what you can do and say right now to improve that element in your teams. Let's jump in!

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