

THE MULTI-GENERATIONAL HEALTHCARE IT WORKFORCE

CSC

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The following anecdotes illustrate why addressing the multi-generational workforce is becoming a critical part of managing healthcare IT.

A Boomer IT executive had just begun a team meeting to discuss a critical project, with which she needed everybody's help during the coming weekend, when a young member piped up: *"Look, from now on I need at least two weeks notice when you expect me to work on Saturday."*

A CIO expressing his worries about how he is going to replace staff approaching retirement explained: *"They not only understand the systems, but I know if they wake up in the middle of the first night users go live, before going back to bed they check online to be sure everything's going OK. I'm not sure I'm going to be able to replace that combination of skill and commitment."*

Executive Summary

This paper discusses: a) multi-generationalⁱ workforce challenges that are surfacing in healthcare and other industry IT departments throughout the world, and b) how healthcare IT managers are acknowledging and addressing the challenges.

Background information about the challenges is from literature that examines IT workforce issues across numerous industries. Healthcare industry reactions to the challenges are from informal interviews.

The interviews were with CIOs and other senior IT managers at ten healthcare organizations located throughout the United States. The organizations include two large group practices, seven hospital-based IDNs, and one payer information system vendor. Though informal, the interviews were structured around challenges identified from literature review.

The overwhelming observation is that all healthcare executives interviewed recognize the challenges, consider addressing them critical to their IT service delivery, and offer tips for managing the issues that are worth considering by all organizations confronting the problems.

Introduction

Managing multi-generational IT workforces in the early 21st century is about coordinating the efforts of the following four distinct generations:

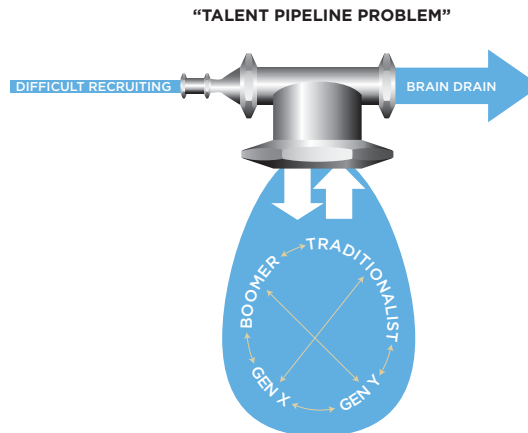
GENERATION NAME	AKA	BIRTH DATES ⁱⁱ
Traditionalist	Silent, Mature	Before 1946
Baby Boomer	Boomer	1946 - 1964
Generation X	Gen X	1965 - 1980
Generation Y	Gen Y, Millennial	1981 - 2000

ⁱ Often also referred to as "inter-generational."

ⁱⁱ Some studies and publications claim slight (1-3 year) differences in start and end dates.

The framing of the challenge comes from our Leading Edge Forum white paper, “Managing the Multi-Generational IT Workforce” by Tony DiRomualdo.¹ In addition to providing general insights into the challenges, the Leading Edge Forum white paper captures the essence of their combined effect in what Mr. DiRomualdo labels the talent pipeline problem.² That is:

- There is a serious pending outflow (or “brain drain”) from IT shops as older staff approach retirement age.
- The inflow is constricted by difficulty recruiting and retaining younger staff fast enough to fill abandoned and new positions.
- As generations mix within, there is often a “generational disconnect” between older and younger staff as they attempt to reconcile lifestyle and work style differences.



Differences among generations are partially logistical. For example, Traditionalists and Boomers are approaching retirement. However, they also derive from cultural and historical trends that define tendencies and characteristics. To generalize: Traditionalists grew up in the wake of WWII’s value structure and respect authority; Boomers learned to dance to Rock n’ Roll, focus on personal growth, and coined the term “whatever it takes”; Gen Xers were latch-key kids, are independent, and distrust authority; and Gen Yers rode in cars with “Baby on Board” bumper stickers, are family oriented, and value both teamwork and coaching.

When this talent pipeline problem was brought to them for comment, the healthcare IT executives interviewed boiled the challenges down to four major categories:

- Brain Drain
- Knowledge Transfer
- Lifestyle Accommodation
- Recruitment and Retention

The remainder of this paper discusses these four challenges in detail, including general definitions and solutions, as well as how healthcare IT shops are addressing them. Three general observations about the executive interviews are important to point out before drilling down:

- **This is a problem.** The first and most important is that every executive interviewed was well aware of multi-generational challenges and is addressing them on some level.

- **The healthcare industry has an advantage.**

The second is that the social contribution staff associate with healthcare is thought to reduce the impact of some specific challenges such as recruiting and salary demands. One CIO, for example, noted that a significant number of his IT staff work there because friends, relatives, or they themselves were current and/or former patients, and that the number-one reason given for taking and keeping jobs is strong belief in, and support of, the hospital's mission. This is clearly seen as a crutch that keeps many IT shops in business.

- **Generational tendencies are not a big focus.**

The biggest surprise from the interviews is that, except when part of already defined demands (such as for flexible working hours), executives spoke very little about the characteristics of specific generations. Examples include Boomer commitment to personal growth, Gen X independence, and Gen Y family values. The literature reviewed devotes significant space to how understanding characteristics helps get the most out of each generational cohort.

Brain Drain

The Problem

“Brain drain” has become the IT industry standard term for losing critical expertise via retiring Traditionalist and Boomer employees. Many IT shops are particularly vulnerable to the loss of these staff. In addition to having a range and depth of experience about legacy systems, as the forgers of solutions that grew out of initial IT growth and evolution, they have insights into idiosyncrasies about why, as well as how, systems are configured and used, particularly from user perspectives.

The most common solution proposed is convincing retirement age employees to postpone retirement while a transition strategy is developed.

“When it comes to solving the problems of an aging workforce, the glass is both half empty and half full.”

David DeLong, President, DeLong & Associates, Meg Fletcher, “Avoiding the Boomer Brain Drain,” Business Insurance, January 21, 2008

Healthcare Perspectives and Responses

IT executives interviewed universally share the opinion that most Boomers and Traditionalists prefer to not retire if they can find a way to reduce their work schedules and responsibilities enough to fit in travel, education, teaching, volunteer work, hobbies, and other activities otherwise relegated to retirement. They also offered several tips on how to make that alternative appealing:

- **Plan Ahead.** A best practice repeated several times is to begin discussions with staff approaching retirement well in advance of their retirement decision. This includes developing and documenting policies — so staff can study them and understand their options. It also includes taking the time to talk with them personally — so they can be assured that staying on is something everyone, including management, wants.
- **Offer Sabbaticals.** This gives employees who are approaching retirement age a chance to understand what it is like to pursue other interests, not work, and return to work after time off.

- **Consider Offering a Switch to Consulting Status.** One executive is pursuing consulting contracts with retirees. It puts these staff in a position to negotiate the kind and quantity of work they take, when they work, and when they deliver it. It also “gets the word out” to previous employees and retirees who may have never considered options to stay involved in the business.
- **Use Retirees Strategically.** Ultimately, retirees have to be replaced, so whenever possible they should be partnered with younger managers and/or up-and-coming staff who will learn from working with them. This practice maximizes the effect of keeping retirees aboard, plus appeals to the goals many older workers have to teach and share what they have learned.
- **Consider Financial Incentives.** Retirees often pursue part-time employment because they have not quite achieved the financial security they need to fully stop working. According to McKinsey & Co., “About three-quarters of baby boomers lack adequate finances for the rest of their lives.”³ Helpful incentives of course include attractive salaries and fees, but benefits such as Medicare co-insurance or continued long-term disability insurance also appeal to aging staff.
- **Plan Retirements Around System Conversions and Sunsets.** When retirement-aged staff cannot be convinced to stay on indefinitely, an alternative another executive has successfully used is convincing an employee to stay until a planned conversion of his or her system (“baby”) has been completed. That same executive is also experimenting with outsourcing systems previously managed by retiring staff. It gives the IT department an opportunity to observe how the system is operated and used, and identify previously unnoticed workflows and other responsibilities the retired staff assumed, but can or should be assumed by users or other staff.

Knowledge Transfer

The Problem

Knowledge transfer is often assumed to mean transferring system expertise from staff retiring or moving to new positions to staff taking over operation and maintenance of systems. However, what almost every executive considers more important is developing an understanding of, appreciation for, and skill set for, managing and configuring the functions and internal workings of applications among younger employees.

“The new generation is used to more robust products, understands less about their inner workings, and has generally not been exposed to formal IT management processes and disciplines.”

Tony DiRomualdo, “Managing the Multi-Generational IT Workforce,” Leading Edge Forum, February 2008, page 6

Informal training and mentoring are the major tactics for accomplishing this. However, many organizations who are seeing more applicants without IT educational backgrounds are also encouraging and supporting employees to enroll part-time in colleges and other institutions to complete or enhance their educations.

iii One manager noted that 70 percent of her core staff commute more than 1 hour each way — at 60 miles, 20mpg, and \$4.00 a gallon, that is \$24.00 per day.

Healthcare Perspectives and Responses

Interviewed IT executives feel training is the key to overcoming knowledge transfer challenges. There is widespread dissatisfaction with the educational levels of new staff, especially IT fundamentals. A common complaint was that, “they expect everything to be plug ’n play or cut ’n paste.” Another CIO feels that the disappearance of introductory, programming, and other training programs that used to be offered by hardware and other vendors is a real loss. She now encourages staff to enroll in college and other programs, but feels that turnaround is not as fast.

Mentoring is another option. A group practice executive shared that they successfully replaced a retiring platform team manager by assigning her most promising team member to “follow her every step” for several months, and several other shops encourage younger staff to informally “team-up” with experienced employees.

Another IT executive feels that mentoring and part-time educational programs are inadequate. As a result, he instituted and built a training facility at company headquarters, and every newly hired employee completes an intense training and testing program before going out into the field, whether her or his role is development, implementation, or ongoing customer support.

Lifestyle Accommodation

The Problem

Lifestyle accommodation is increasingly becoming one of the most complex challenges associated with managing multiple generations. Although the issue first appeared as workers from Generation X and Generation Y demanded a blended work and lifestyle, it also is rapidly becoming an important way to appeal to Traditionalists and Boomers considering postponing fulltime retirement. In addition, changes in the economy, specifically the rising prices of both gasoline and office space, are coinciding with generational demands for telecommuting and flexible work schedule options.

“Bonuses and recognition may motivate Baby Boomers, but Gen X and Gen Y might prefer to work toward the privilege of working from home or having a flexible schedule.”

Marsha Passos Duffy, “Managing a Multi-Generational Workforce,” National Federation of Independent Business, April 7, 2008

Requests for lifestyle accommodation often focus on work options such as flexible work schedules, leaves of absence, part-time schedules, and telecommuting from home and other alternate sites. As noted, these accommodations are emerging as an issue for all generations in the workforce, although typically for different reasons:

- For Boomers and Traditionalists, they are an incentive to postpone fulltime retirement. Options to develop custom work schedules, including the freedom to take extended leaves for travel and other pursuits, help these older employees transition to a new lifestyle without having to give up the work they enjoy and without feeling they have abandoned the co-workers who depend upon them.
- For Generation X employees, raising children, caring for aging parents, and pursuing personal interests is something they feel the need for and the right to build into their entire careers. Generation X staff are

also on the leading edge of a trend toward a “blended work and lifestyle,” which means integrating events such as education, personal adventures, and careers throughout their lives (as opposed to following a more traditional, cyclic approach).⁴ As a result, sabbaticals, options to schedule work hours around day care and parent’s medical appointments, and options to do substantial work from home are all important.

- For Generation Y employees, staying electronically connected is a way of life, and the option to telecommute, whether it means working from home at night or from a coffee shop instead of heading back to the office after lunch, is something they do not relinquish easily. In addition, Generation Y staff have been brought up with an ethic that places far more value on work being done than on when and where it is done.

Healthcare Perspectives and Responses

The healthcare IT executives interviewed are exploring, piloting, and/or already offering all of these options, with a particular focus on flexible work schedules and telecommuting. The interesting twist the healthcare industry brings to the programs is that they are implemented with rules (in some cases even contracts) to ensure that productivity, access for meetings and questions, and other necessary work outcomes do not suffer. For example, a common condition in flexible work plan and telecommuting policies is that some cross-over period (such as 11:00am to 2:00pm, or Tuesdays and Thursdays) is mandatory for all employees — so meetings and other events can be scheduled or managers just know everyone is around in case they have *ad hoc* questions or issues to discuss.

Particularly since the rising price of gasoline has added to the demand for telecommuting,ⁱⁱⁱ several shops are going so far as requiring employees to sign agreements (contracts) before setting up shop and routinely working from home. The contracts, which are mutually beneficial, include conditions such as:

- **Day care:** during working hours (including pet accommodations)
- **A full day’s work:** i.e., an agreement to prevent other tempting distractions from interfering with work
- **Telephone access:** a dedicated line or cell phone
- **High-Speed internet access:** that does not limit data transfers, VPN connection, and other access required to complete work
- **An office:** or other room separated from the rest of the house with a desk, chair, etc.

One executive noted that his organization’s Human Resources (HR) department also reserves the right to routinely visit and inspect home work places, for all the above plus ergonomically correct features such as comfortable desk and chair, adequate lighting, and good ventilation.

Another telecommuting alternative being explored by large organizations (with geographically diverse sites) is making unassigned offices available for first-come, first-served access at multiple sites. This enables staff who do not have an adequate workspace at home, or who have meetings closer to alternate sites on given days, to limit their commutes. One hospital is also piloting programs such as hospital-arranged car-pools and in some cases gas cards for employees who are especially hard hit.

Finally, a Gen Y accommodation being considered is taking advantage of this cohort's family, friend, and other network values to help them both perform better and get more satisfaction from work. For example, one executive feels so strongly that Generation Y staff value working within teams (even more than salary) that she plans to, as much as possible, restructure work assignments into teams assembled and disassembled for specific projects and other work.

Recruitment and Retention

The Problem

The other side of the talent pipeline problem (to “brain drain”) is difficulty recruiting and retaining applicants for entry level IT positions.⁵ Several factors contribute to the problem. One is that the workforce in general is declining.

- According to the US Department of Labor, Bureau of Labor Statistics (BLS), US annual workforce growth is declining — from 2.6 percent in the 1970s to an estimated 1.1 percent in 2008, and an expected 0.6 percent by 2050.⁶
- The combined effect of the above and increasing demand is expected to yield a shortage of 35 million employees in the US by 2030.⁷
- Another is declining interest in IT positions. One explanation offered for declines both in IT degree program enrollment and applicants is that younger workers have a negative perception of working in IT⁸ — they do not see IT positions as resume-enhancing steps to rapid career growth. Also, once hired, between the negative perception of IT careers, competition from other employers, and what many consider to be an overly personal focus on career development, younger generations are much more likely than previous generations to “job-hop,” in pursuit of higher salaries and other immediate personal goals as opposed to long-term gains.⁹

IT managers outside and within healthcare are often stymied and frustrated by this challenge. Turning to HR and Finance for higher salaries is one option, but for many corporations, off-shore hiring and outsourcing are also commonplace.

Healthcare Perspectives and Responses

Healthcare IT executives, resigned to limited salary incentives, most often turn to organization prestige and the social value associated with healthcare to attract and retain employees. However, several organizations included in the interviews are also exploring additional approaches.

- One of the executives worked with the hospital's HR department to initiate a program that explains and promotes the hospital's “top-down” commitment to employees. It includes a presentation to new employees from the hospital CEO and regular communication and updates from HR, all of which focus on keeping employees in touch with hospital efforts and successes, as well as new HR programs.
- Another CIO points to a special benefits program his HR department has implemented that enables employees to customize benefit packages based on factors such as age, family status, and special needs.
- A third executive has implemented a program that enables employees from other departments to temporarily work with IT in

support of specific programs and implementations. For example, it currently offers nurses informatics roles in support of clinical information system roll-outs within their departments. When the roll-out is completed, nurses can return to their original position, transfer to IT, or take informatics positions elsewhere within the hospital.

Unfortunately, despite these efforts, salary competition continues to be a major challenge at many organizations. For example, one CIO remarked that she has had such little recent success that she goes into every offer expecting to lose to a higher salary offer elsewhere. Another management team begins worrying about losing each new recruit to a higher offer as soon as they have completed vendor application training.

Conclusion

Multi-generational workforce challenges are a problem that healthcare IT departments have to seriously address within the next 10-20 years. To paraphrase one of the interviewed CIOs, “IT management has to attract, develop, and retain workers from each generation segment if it expects to keep up with demand.”

To their credit, every executive interviewed for the paper recognizes the challenge, and has begun to consider, pilot, and even implement creative solutions. On the other hand, the issue appears to not be getting the attention it deserves (at least in the small sample of organizations represented in the interviews). Google searches, for example, bring up reams of research and writing from other industries and nothing from healthcare.

Of the ten executives interviewed, only two have taken steps to include the challenge of a multi-generational workforce as a major part of planning and budgeting, and both of them have just begun. Most CIO’s themselves are Traditionalists or Boomers, and the average CIO tenure is short. These logistics add up to significant risk that issues, such as replacing retiring Traditionalist and Boomer staff, will not develop sufficiently squeaky wheels to demand the attention they need.

We all know it’s an issue, but many of us a) don’t know what to do about it, and b) are caught up in too many immediate crises to give it the attention it deserves.

[paraphrased from two CIO interviews]

We strongly recommend paying more attention. Specifically, IT executives should:

- **Start discussing the problem.** A good starting point is any of the solutions documented in this paper.
- **Watch what is happening outside of healthcare.** IT shops in many other industries are managing the same issues. Research done for this paper did not uncover major ideas or insights that healthcare IT managers have overlooked. However, other industries appear to have a head start.
- **Do not overlook generation characteristics.** Numerous authors emphasize that understanding generational characteristics is a key to long-term management of the multi-generational workforce (beyond just meeting immediate demands such as for telecommuting and flexible work hours). Neil Howe and William Strauss, for example, feel that learning to manage Gen Y is a critical step for current businesses, “If Boomer and Xer-led businesses

adjust to the Millennial work style, economic productivity could surge even as job turnover declines. If they do not, they should brace themselves for opposition.”¹⁰

- **Stay on top of salary ranges.** Staff who are truly motivated by salary are going to choose dollars over altruistic opportunities no matter what. However, even those dedicated to the hospital mission have limits that executives need to understand before they become an issue. Several HR departments have begun exploring flexible salary/benefit packages and other alternative compensation programs.

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