

# Research Brief

## *Assessing the workforce development needs of healthcare employers in Southeastern Wisconsin*

Despite the region's high unemployment rates, a recent survey of health care employers in Southeast Wisconsin indicates that a limited supply of qualified healthcare workers is harming efforts to fill current job openings. Respondents say applicant quality (60.7%) and retaining qualified workers (30.2%) are the biggest challenges they face in meeting their organizations' workforce needs. Gaps in applicants' basic skills, especially soft skills such as professionalism, team skills and verbal communication, also make it harder for healthcare employers to recruit and hire competent job candidates.

The recent survey of 28 healthcare facilities included the four largest hospital systems in southeast Wisconsin, as well as nursing and residential care facilities such as doctors' offices and diagnostics labs.

Current job openings at the responding healthcare employers are greatest for registered nurses and nursing aides and attendants (Table 1). However, a significant number of respondents were unwilling or unable to provide data on current job openings or predict how demand for healthcare professionals will change in the next one to three years.

Lack of job growth data limits the ability of workforce development officials to adjust regional workforce development training resources to address healthcare employers' short-term needs. However, the challenges identified by the survey point to areas in which regional workforce development organizations and area healthcare employers can work together to increase the overall supply of qualified healthcare workers.

**Table 1: Current healthcare openings**

|                                       | Current Openings | % Responding (n=28) |
|---------------------------------------|------------------|---------------------|
| Nurses, Registered                    | 631              | 43%                 |
| Nursing Aides/Orderlies/Attendants    | 255              | 43%                 |
| Medical Assistants                    | 35               | 21%                 |
| Physical Therapists                   | 30.5             | 32%                 |
| Respiratory Therapists                | 30               | 21%                 |
| Nurses, Licensed Practical/Vocational | 25               | 29%                 |

## Introduction

Despite near-record unemployment rates in the region, southeast Wisconsin's healthcare sector faces a distinctive challenge: finding sufficient numbers of qualified and trained workers to fill current and future job openings. A May 2009 University of Wisconsin-Milwaukee analysis found that one out of every four full-time job openings and one out of three part-time openings in the Milwaukee region was in a health-related occupation.<sup>1</sup> Almost 70% of those positions required specialized training beyond a high school diploma.

The need for healthcare workers is not expected to subside in the near term. Healthcare jobs in hospitals, nursing and residential care facilities and ambulatory healthcare services are projected to increase 8% in southeast Wisconsin by 2014.<sup>2</sup> The forecasted growth will be fueled in part by the region's aging population, which is expected to require more health-related services. This demographic trend also will reduce availability of trained workers as more current healthcare workers reach retirement age.<sup>3</sup>

Regional efforts are taking shape to address the region's shortage of healthcare workers while connecting low-skilled persons to employment opportunities. The Milwaukee Area Healthcare Alliance (MAHA), a new workforce development partnership between the YWCA of Greater Milwaukee and Milwaukee Area Health Education, has emerged as a workforce intermediary to bridge the gaps between employers, prospective applicants, and the region's workforce development and training resources.

Successfully building that bridge requires a better understanding of the challenges healthcare employers face in making hiring decisions. MAHA engaged the Public Policy Forum to conduct a survey of healthcare industry employers in the seven counties of Southeastern Wisconsin, including Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha counties. This *Research Brief* details the survey's results and highlights challenges healthcare employers face in hiring and retaining a qualified workforce.

## Methodology and Data

The online Southeastern Wisconsin Healthcare Employer Workforce Development survey was launched in November 2009, with responses received through February 2010. The survey focused on the ability of employers to recruit qualified applicants for positions that generally require education and training equal to more than a high school diploma and less than a four-year degree.<sup>4</sup>

While survey invitations were mailed via postcard to 600 healthcare employers throughout southeast Wisconsin, just 28 organizations completed the survey. The majority of the surveyed organizations' hiring offices (64%) are located in Milwaukee County and 21% are located in Waukesha County (Table 2). The types of organizations completing the survey include ambulatory (i.e. doctors' offices, diagnostic labs, outpatient facilities, and home healthcare), nursing and residential care facilities, and hospitals and health systems. The size of employer as measured by number of employees was closely linked to employer

<sup>1</sup> Employment and Training Institute, University of Wisconsin-Milwaukee, *Job Openings of the 7County Southeastern Wisconsin Region for the week of May 25, 2009*. <http://www4.uwm.edu/eti/pages/surveys/jos.htm>

<sup>2</sup> EMSI.

<sup>3</sup> Wisconsin Hospital Association, *Wisconsin's Health Care Workforce: 2009 Report*, <http://www.wha.org/2009workforcereport.pdf>, accessed March 2010.

<sup>4</sup> Occupational educational and training requirements are based on Bureau of Labor Statistics definitions which are available at [http://www.bls.gov/emp/ep\\_nem\\_definitions.htm](http://www.bls.gov/emp/ep_nem_definitions.htm). Physical Therapists was the one occupation included that requires more than a 4 year degree.

**Table 2: Completed survey demographics**

| County by Location of Human Resource Function |     |
|---|-----|
| Milwaukee                                     | 64% |
| Waukesha                                      | 21% |
| Kenosha, Racine, Washington*                  | 11% |
| Outside Region                                | 4%  |
| Healthcare Employer by Segment                |     |
| Ambulatory                                    | 36% |
| Hospital/ Healthcare Systems                  | 25% |
| Nursing and Residential Care                  | 39% |
| Employer Size                                 |     |
| Less than 10 employees                        | 11% |
| 10 to 99 employees                            | 32% |
| 100 to 499 employees                          | 28% |
| 500+ employees                                | 29% |

\* No employers from Ozaukee or Walworth Counties responded to the survey.

type – small organizations (less than 100 employees) were most likely to be ambulatory facilities; mid-sized employers (100 to 499 employees) were most often nursing and residential care facilities; and large organizations (more than 500 employees) were most often hospital and health care systems (Table 2).

It should be noted that the survey findings are not representative of all area healthcare employers and cannot be generalized across the region given the meager response rate. Despite this limitation, the returned surveys shed light on the challenges faced by area healthcare employers in recruiting and maintaining a qualified workforce. The data also point to opportunities for community workforce development organizations to work with and support healthcare employers' efforts to hire and retain qualified employees.

## Basic Employment Requirements

Understanding employment requirements can enhance workforce development organizations' ability to recruit and steer potential applicants to apply for appropriate job openings. The survey indicates criminal and caregiver background checks top the list of basic employment screenings (Chart 1 on page 4). Hospitals and healthcare systems conduct similar screenings, with all survey respondents requiring criminal and caregiver background checks as well as drug testing and physicals for new hires. Job seekers applying to the ambulatory facilities may encounter more variation in types of screenings required.

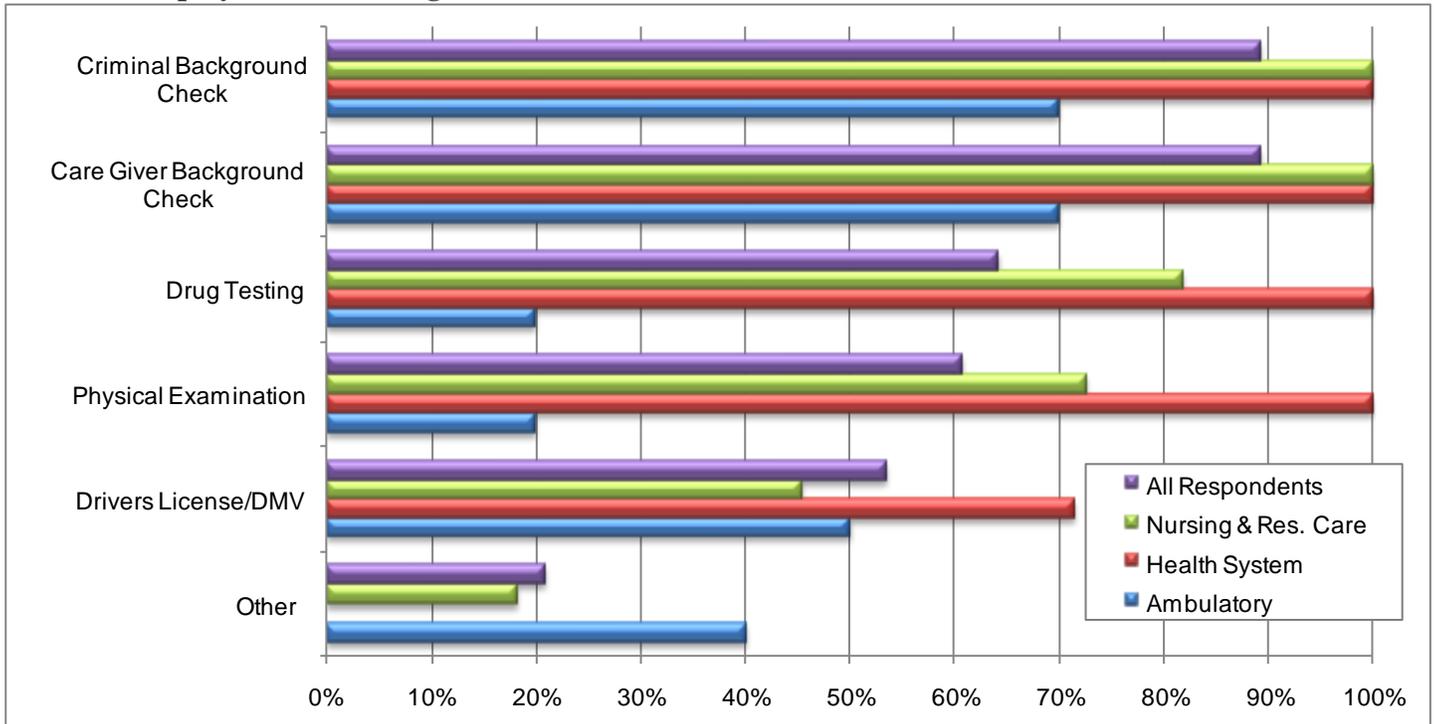
## Identified Skills Gaps

A lack of basic soft skills (e.g. "people skills") and academic skills (e.g. reading, writing and math) among potential applicants can hinder an employer's ability to meet its workforce needs. To assess if there is a perceived gap in these skills that cross occupational categories, the survey asked participants what level of proficiency (basic, average or high) is needed by the employer and what level of proficiency is available among applicants.

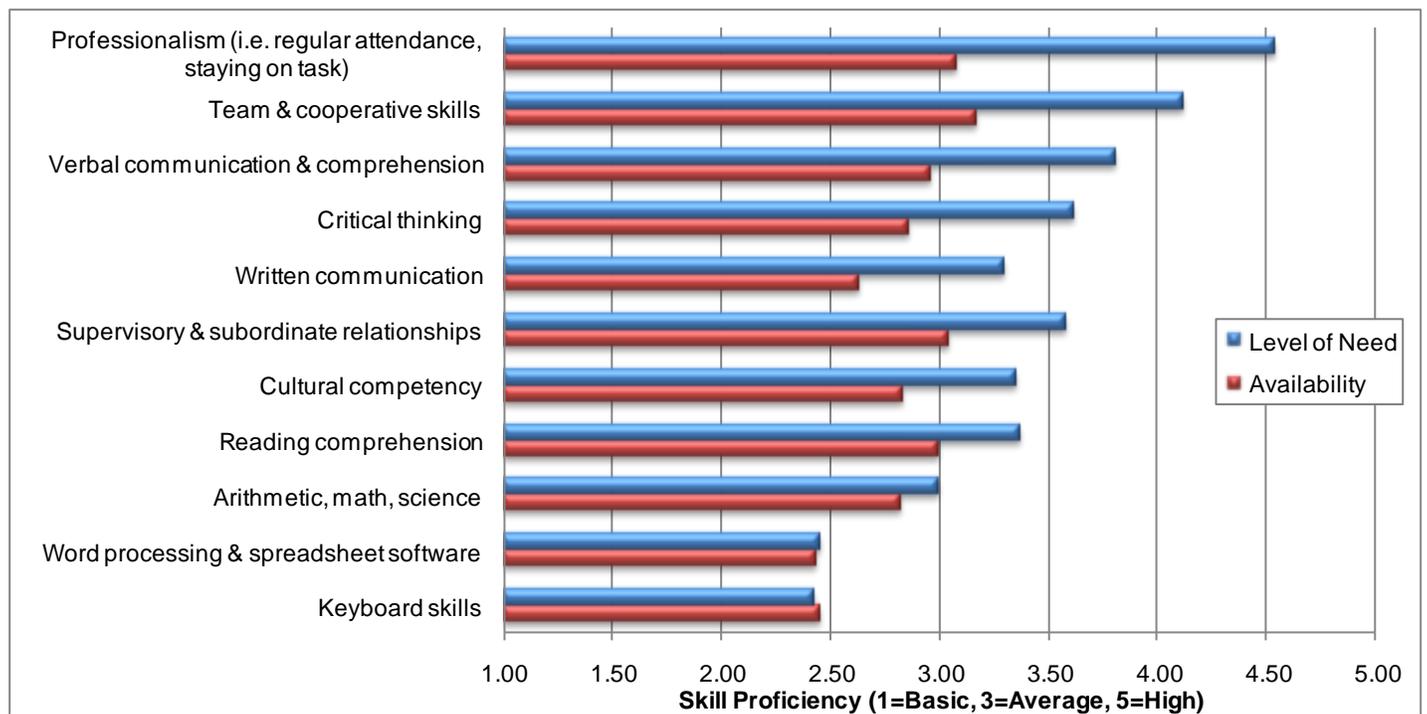
The perceived gaps between what employers need and what is available among applicants most frequently occurred in soft skills such as team skills, communication, and critical thinking (Chart 2 on page 4). The most significant gap occurred in professionalism skills, which was defined as regular job attendance and staying on task. The responding healthcare employers expect an above average level of skill proficiency<sup>5</sup> (4.54 on average) in workplace professionalism but find only an average proficiency (3.08) among current job applicants. While narrower, gaps also exist in basic academic skills of reading and math.

<sup>5</sup> Skill proficiency was measured on a scale with 1=basic, 3=average, 5=high proficiency.

**Chart 1: Employment screening**



**Chart 2: Basic skills gap: skills needed vs. skills available**



Improving applicants' soft skills is a challenge that crosses healthcare segments (Table 3). Ambulatory facilities, healthcare systems, and nursing and residential care facilities all note significant gaps in applicants' professionalism skills. Critical thinking and verbal communications are areas of need for both healthcare systems and nursing care facilities. Ambulatory facilities and healthcare systems also perceive skills gaps in applicants' cultural competency.

**Table 3: Rank of skills gaps by segment**

|   |
|---|
| <b>Ambulatory</b>                         |
| Cultural Competency                       |
| Professionalism                           |
| <b>Hospitals &amp; Healthcare Systems</b> |
| Verbal Communication                      |
| Critical Thinking                         |
| Professionalism                           |
| Cultural Competency                       |
| <b>Nursing &amp; Residential Care</b>     |
| Professionalism                           |
| Critical Thinking                         |
| Verbal Communication                      |
| Written Communication                     |

### Availability of Quality Applicants

Applicant quality is the biggest workforce development challenge faced by 60.7% of responding healthcare employers. The next biggest challenge is retaining quality workers (30.2% of responding employers).

Locating quality applicants appears more pronounced in occupational categories that have been forecasted to grow or already are facing high vacancy rates (Chart 3 on page 6). Sixty-one percent of respon-

dents, for example, noted a critical lack of physical therapists.<sup>6</sup> Respondents also are experiencing a constrained or less-than-sufficient supply of quality applicants for home health aide, pharmacy technologist, registered nurse, and respiratory therapist positions.<sup>7</sup>

### Occupational Demand

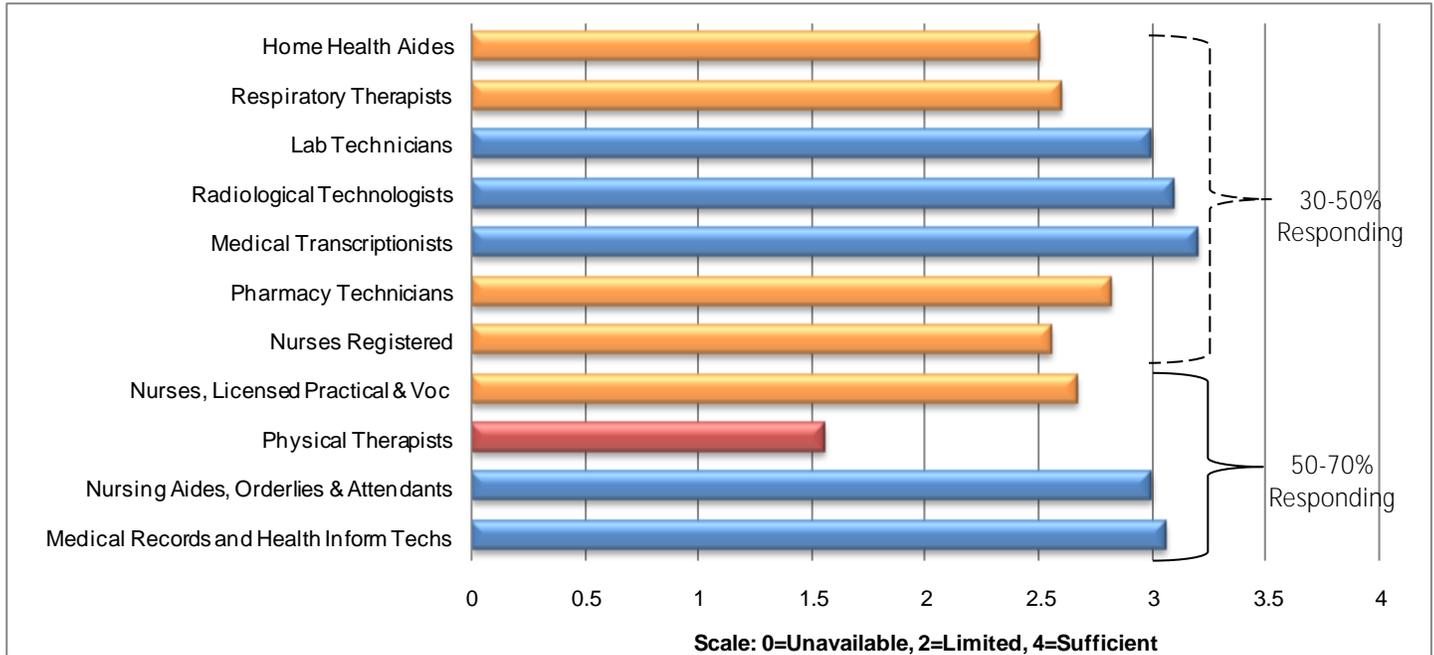
Data on employers' current and expected position openings can be a valuable tool in developing regional workforce development strategies and for aligning local workforce training to meet identified needs. While occupational projections are available at the state and national level, information on local employers' short-term employment needs are limited. The survey attempted to determine area healthcare employers' ability to provide data on current job openings and predict changes (increase or decrease) in future openings over one to three years.

Both the overall limited response rates and those survey responses that were received indicate that healthcare employers in southeast Wisconsin either are unable or unwilling to share information on current or expected staff needs. Twenty-five percent of survey respondents chose not to answer questions related to current openings for health professionals. The challenge of gathering data on a wide range of occupational openings was especially difficult for larger organizations. Feedback from human resource representatives at area hospital and healthcare systems indicated that data on organizational openings is not centrally located and required substantial effort to consolidate from across the organization's human resource department.

<sup>6</sup> The Wisconsin Hospital Association notes a 9.1% vacancy rate among registered nurse positions and 13% vacancy rate in physical therapist positions (*Wisconsin's Health Care Workforce 2009 Report*) in Wisconsin in 2008.

<sup>7</sup> The Wisconsin Department of Workforce Development projects that Wisconsin's Physical Therapists, Pharmacy Technologists, Registered Nurses, Respiratory Therapists, and Home Health Aide occupational categories will experience growth above 25% between 2006 and 2016 (<http://worknet.wisconsin.gov/worknet/daocprj.aspx?menuselection=da>).

**Chart 3: Availability of quality applicants**



Among employers providing occupation-specific data, registered nurses and nurses aides are the largest source of current openings for the job categories queried (Table 1 on page 1). While there is some variation in demand by healthcare segment, each segment noted at least some openings for registered and licensed nurses (Table 4).

Most of the responding healthcare employers found it difficult to predict changes in future occupational openings (increase, decrease, or stay the same). An average of 55% of employers were unable to predict or did not answer when asked how their demand for medical professional positions would change in one year. An even greater number (65%) of employers was unable to predict demand in three years. An additional 33% expect occupational openings to stay the same at one year and 23% anticipate demand to stay the same in three years. Physical therapist was the only position for which significant numbers of employers expected an

increase in openings, with 25% of employers expecting demand to increase in one year and 29% to increase in three years.

### Workforce Staffing and Diversity

Responding healthcare organizations rely heavily on women to meet their workforce needs (Table 5), with ambulatory facilities having higher concentrations of female employees than health systems and nursing facilities. Across all sectors women are overrepresented as compared to the region’s population.

**Table 4: Largest current openings by healthcare segment**

| Segment                             | Occupation                          | Current Openings |
|-------------------------------------|-------------------------------------|------------------|
| <b>Ambulatory</b>                   | Home Health Aides                   | 15               |
|                                     | <b>Hospitals and Health Systems</b> |                  |
|                                     | Nurses, Registered                  | 604              |
|                                     | Nursing Aides                       | 224              |
|                                     | Medical Assistants                  | 33               |
|                                     | Physical Therapists                 | 25               |
|                                     | Respiratory Therapists              | 24               |
|                                     | Pharmacy Techs                      | 15               |
|                                     | Lab Technicians                     | 12               |
| <b>Nursing and Residential Care</b> | Nursing Aides                       | 31               |
|                                     | Nurses, Registered                  | 24               |
|                                     | Nurses Licensed                     | 13               |

**Table 5: Gender representation by healthcare segment**

|              | Total | Ambulatory | Hospital and Hospital Systems | Nursing and Residential Care | Milwaukee-Waukesha-West Allis, MSA |
|--------------|-------|------------|-------------------------------|------------------------------|------------------------------------|
| <b>Women</b> | 85%   | 88.0%      | 82.8%                         | 82.5%                        | 51.0%                              |
| <b>Men</b>   | 15%   | 12.0%      | 17.2%                         | 17.5%                        | 49.0%                              |

Source: 2008 American community Survey, U.S. Census Bureau

Ethnic representation at responding healthcare institutions varies by segment and diverges from the ethnic diversity of the region's population (Table 6). As a whole, respondents have more African-American and Asian workers and fewer white and Hispanic workers than the Milwaukee Metropolitan Statistical Area (MSA)<sup>8</sup>. However, some healthcare segments are less diverse than others. Hospitals and healthcare systems were the least diverse segment, having lower representation among African-Americans, Asians, and Hispanics than the MSA and the ambulatory and nursing care segments. Each of the healthcare segments employs a lower percentage of Hispanics than are represented in the Milwaukee MSA.

These demographics contrast with healthcare employers' perceptions of diversity in their workplace.

- 57% of respondents believe that their workforce is generally representative of the "racial, ethnic, and gender diversity of the consumers or community" they serve.
- 71% of respondents believe workplace diversity at their organization has improved in the last 5 years.

- Only 29% of respondents had initiatives in place to improve gender and ethnic diversity among prospective job candidates.

### Implications for Regional Workforce Development Organizations

Results of the survey highlight opportunities for regional workforce development organizations to engage with and support area healthcare employers as they work to fill critical job openings. Gaps in soft skills such as professionalism, team and cooperative skills, verbal communication, and critical thinking are areas where regional workforce development agencies can play an increased role. Another area of increased involvement may be in providing assistance in improving workforce diversity, especially in attracting Hispanic workers.

Data should be central in developing a targeted regional workforce development strategy for the healthcare industry. Other data resources such as the statewide nurses survey being conducted by the Wisconsin Department of Workforce Development can help inform how regional resources are aligned to

**Table 6: Employee ethnic diversity by healthcare segment**

|                                  | Total | Ambulatory | Hospital and Hospital Systems | Nursing and Residential Care | Milwaukee-Waukesha-West Allis, MSA |
|----------------------------------|-------|------------|-------------------------------|------------------------------|------------------------------------|
| <b>White</b>                     | 68.0% | 69.4%      | 83.8%                         | 56.7%                        | 71.0%                              |
| <b>African American</b>          | 24.4% | 19.0%      | 10.8%                         | 39.7%                        | 15.5%                              |
| <b>Asian/Pacific Islander</b>    | 3.9%  | 6.9%       | 1.5%                          | 1.1%                         | 2.6%                               |
| <b>Latino/Hispanic</b>           | 3.3%  | 4.4%       | 3.0%                          | 2.0%                         | 8.5%                               |
| <b>Native American and Other</b> | 0.4%  | 0.3%       | 0.8%                          | 0.4%                         | 2.4%                               |

Source: 2008 American community Survey, U.S. Census Bureau

<sup>8</sup> The Milwaukee-Waukesha-west Allis MSA includes Milwaukee, Ozaukee, Washington, and Waukesha Counties.

train and recruit nurses. Regularly conducting this survey also may serve as a way for workforce development organization to keep a pulse on changes in area healthcare workforce needs.<sup>9</sup>

A successful effort would require community workforce organizations to make a more concerted effort to build their relationship with healthcare organizations and community workforce organizations. Of the healthcare employers surveyed, 50% were unsure and 21% said they *would not* use community organizations to improve applicants’ basic skills and/or provide specialized training (Table 7). One way to bridge this gap is to increase education and awareness of healthcare employers about what types of support community-based workforce organizations

can provide. This dialogue may help facilitate the development of employer-driven solutions that better address current and future workforce shortages.

**Table 7: Use of community-based workforce development agencies**

|                         |       |
|-------------------------|-------|
| <b>Currently Use</b>    | 3.6%  |
| <b>Would Use</b>        | 7.1%  |
| <b>Would Not Use</b>    | 21.4% |
| <b>Unsure</b>           | 50.0% |
| <b>(Did not answer)</b> | 17.9% |

<sup>9</sup>The survey instrument and distribution list would need to be refined to improve response rates.