

**Productivity Management  
A Step-by-Step Guide for Health Care Professionals**

**By Jack A. Gilbert**

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*Chapter 1*

Productivity: A Great Opportunity

The concept of productivity management is not new. Since the late 1970s, we have been hearing that increased productivity is the key to the financial viability and success of health care organizations. Conversation about productivity has become part of the permanent landscape. As health care organizations have shifted from cost-based to prospective reimbursement and have increasingly taken the shape of business enterprises, productivity has come to the fore as a measure of managerial effectiveness in this industry, just as it has in other industries.

Managers who once were promoted on the basis of their technical skills are now confronted with organizational challenges that often outstrip their training and cripple their ability to respond. Increased productivity is one such challenge. It is clear that today's managers are evaluated as much on the productivity of their departments as they are on other aspects of their performance.

It is also clear that the issue of productivity does not inspire a great deal of enthusiasm and satisfaction among managers and staff, even at the highest levels of health care organizations. In general, productivity improvement efforts are an unpleasant topic because they are perceived as a burden that may benefit the organization but not the individual staff members. However, productivity can be a source of staff satisfaction and effective management action rather than a cause for reaction and limitation. When viewed as performing work efficiently and well, productivity can also be something more than "doing more with less"; it can concern not only the efficiency with which work is performed, but also the quality of that work and the satisfaction that can be derived from its completion. In other words, productivity is integral to efficient, high-quality, satisfying work.

This book contains many techniques for improving productivity; however, these techniques will not be useful if they are not viewed by managers in health care organizations as a possible means of contributing to and supporting their work life. The effectiveness of productivity improvement activities depends on the attitude of the manager who undertakes them. A British joke tells about a man driving to London who is lost 200 miles from his destination. He stops to ask a

local person for directions. After thinking hard, the local turns to the driver and says, "Well, if I were you, I wouldn't start from here." Like the traveler, however, managers must begin where they are.

What follows is an attempt to start from where we are in productivity, even if it is not where we would prefer to begin. It is a rather harsh look at how productivity is generally viewed. Although productivity is not always viewed negatively, some version of what follows has occurred in many organizations. It is a way of thinking that prevents us from being fully effective and embracing productivity as part of the future of management and health care organizations. After looking at the dark side of our current thinking about productivity and some of our resistance to it, this chapter goes on to reframe productivity as a new opportunity. It concludes with a self-evaluation that will allow you to see where you stand, or just how many miles from London you are.

### Productivity: The Old View

I was once asked to speak before a group of 20 health care professionals, mostly department heads, on the subject, "Productivity Improvement Techniques." Sensing a general discomfort in the room as I began to talk about techniques, I asked a question: "In one word, what is your initial emotional response to the word *productivity*?" The participants' responses included the following: fear, depression, resentment, anxiety, coldness, and anger. Of 20 responses, only one was positive.

I believe this group is representative of a general view of productivity in health care organizations by staff at all levels. In light of these responses, it is not surprising that although the importance of productivity is frequently stated, enthusiasm for the subject is largely absent. And no wonder. Would any of us listen attentively and with a commitment to act when someone was explaining to us effective techniques for making ourselves miserable?

Until a different, more positive context for productivity management is created, we can expect that little of permanent value will be achieved, however great our effort. Much of the change that does occur will come through coercion, pressure, or financial expediency. This approach will cast one group (usually the administration) in the role of the "bad guy," appearing to push for more work from fewer people, and the middle managers, supervisors, and their staff in the role of the "good guys," defending patients and services from an unreasonable administration concerned primarily with costs rather than quality of service.

### Some Reasons Why Productivity Is Resisted

Without doubt, there are legitimate concerns surrounding the subject of productivity, some of which focus primarily on the quality of patient care. These concerns represent ways of looking at productivity that must be addressed if administrators, middle managers, supervisors, and staff are to act as a team in this vital arena. In addition, hidden concerns and assumptions must be recognized and addressed. The following are some typical concerns that middle managers, supervisors, and staff have about productivity.

*Fear of hidden agendas:* “What is the administration really up to?” “Is this a way for the administration to get me?” “Does the administration really care about quality?” “This consultant says he has been sent here to help me, but I’m concerned that he’s been sent to report to my administrator on my performance.” All these questions reflect a lack of trust. On occasion, they are supported by fact, but most often they are based only on assumptions and deep-seated concerns about the impact of productivity improvement on the manager’s or supervisor’s ability to get the job done.

*Concern that productivity is an enemy of quality:* For many health care professionals, the very term *productivity* evokes images of factory production lines, production quotas, and impersonal machinery. In short, it connotes qualities that are the antithesis of the caring, patience, and sensitivity that attract many people to health care as a career. Productivity in this context is seen as a cold equation: More output is being demanded for the same input, or less. The message is, “Work harder,” and when that’s achieved, the new message will be, “Work even harder,” creating a treadmill environment. The hidden assumption is that productivity is the enemy of quality (an assumption that will be challenged by this book) and that when higher productivity is expected, lower quality and diminished satisfaction must surely follow.

*Concern that productivity consultants think they know how to do the job better than those who are on the job and that they care more about numbers than they do about patients and staff:* When a “productivity expert” (for lack of a better term) comes into an area, he or she usually comes uninvited by the middle manager or supervisors. Thus the expert’s presence is often resented and resisted. The concern is that these consultants, who have often never cared for a patient in their lives, have been sent to tell the managers how to do things better and how to be more productive. This perception places the middle manager in an adversarial role, not only vis-à-vis the consultant but also the administration who has sent the consultant; and it sets the scene for a difficult and arduous process that is unlikely to yield positive change.

*Discomfort with the increased emphasis on cost containment in health care and a related professional disappointment from having to focus on numbers:* Many managers and staff, as well as some administrators, are responding to cost-containment pressures with increased resentment and disillusionment with their roles and their ability to make a difference in their organization. Productivity has

become a scapegoat for this issue and the resentments and disappointments associated with it. They feel that such concerns and constraints prevent them from meeting their professional responsibilities and aspirations. For example, a pharmacy director cannot provide a complete service because his or her staff cannot be expanded to include a clinical pharmacist (a position focused on providing drug education and information to patients), or a nurse feels challenged to keep up with routine procedures that compete with his or her being free to give patients the emotional support they need.

*Fear of being "found out" as a poor manager:* Most of us would feel uncomfortable if an individual unknown to us were employed by a third party to go through our home and given unlimited authority to look into our closets, dressers, and filing cabinets in order to make recommendations for improving the state of our home and its operation. However constructive the process might be, it is easy to see that we might well feel defensive as we contemplated what a stranger would think of the closet we have been meaning to clean out for a year, or the dresser stuffed with clothing, or the filing we have not gotten around to for longer than we can remember.

So it is with many managers, staff, and administrators. To some extent they all identify with their areas of accountability. The administration expects department heads to feel a commitment to, and involvement with, their departments, including their staff. We should not be surprised that department heads, staff, and even administrators feel a sense of intrusion when the productivity of their area of responsibility comes under scrutiny and evaluation. All but the most secure and self-confident department heads will feel anxiety at some level that the parts of their job that they believe they are not performing adequately will be exposed and criticized.

*Administration that uses productivity tools as a bludgeon:* As we review the different approaches to productivity management in this book, we will see that a large number of productivity tools are available. Unfortunately, some administrators have used these tools as ends in themselves instead of as means for gathering information for further decision making.

Productivity monitoring, for example, is a broad-brush technique for assessing general trends in efficiency. It involves keeping track of the hours spent performing a department's work and comparing those hours with a standard. If the department is not meeting the standard, the next appropriate steps would be to look for the reasons behind the apparent problem and examine alternatives for improving productivity. Sometime the reasons are outside the department's control, and it is appropriate not to take action. An administration that uses productivity monitoring as a bludgeon, however, might use the data as an excuse to take immediate action, such as reducing the number of staff, without examining the situation more closely.

*Administration's inconsistent approach to productivity:* It is not uncommon for hospitals to pay attention to productivity only sporadically, such as when a budget shortfall looms. Reports indicating inefficiency in some departments may be ignored until a crisis, when there may be a flurry of administration activity demanding accountability for productivity. As the crisis passes, the administration's interest in productivity frequently wanes. Thus it is difficult for department managers to know when to take productivity monitoring efforts seriously.

*Prior bad experiences with productivity improvement:* Sometimes some of these concerns have been justified, thus coloring managers' attitudes toward productivity. I was once introduced as a productivity expert to a department head, who, as I went to shake his hand, told me that there was no way he would allow me near his department if he could help it. I later found out that in a previous position he had had a very bad experience in which he had lost staff when a productivity monitoring system had been used as a bludgeon. He had brought that prior experience full force to the new job.

## The Need for a New Context

Within this network of assumptions and concerns there is simply no room for effective productivity management. These conditions force administrators and managers into an adversarial relationship: "They" are doing something to "us." What is missing in this discussion is a powerful new context for productivity so that it can be seen as an ally and a support in today's health care environment.

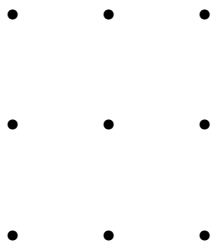
What is this new context, and how can we bring it about? It is not about the power of positive thinking. It is not about pretending that productivity is really a good thing. It is not about creating slogans. What is called for is a courageous break from the way productivity has been viewed until now. It requires the creation of an authentic commitment to a different way of thinking that will enable managers and supervisors to see the possibility for their greater effectiveness and satisfaction through the development of successful productivity management programs and processes that will support their aspirations and commitments.

What follows is an opportunity to redesign your own and others' relationship with productivity so that it supports your commitment to be a *manager* of productivity and not its victim. This book will help you see productivity in your own area of accountability as well as throughout the organization as an important arena in which you can have a marked impact.

## Productivity as an Opportunity

Breaking with the old view of productivity will give you a new perspective that will present new opportunities for effective productivity management. Just because you do not currently see those opportunities does not mean they do not exist. Arthur Schopenhauer said, "Each man takes the limits of his own field of vision as the limits of the world." The purpose of this book is to reveal some of those previously hidden opportunities. But a new perspective will not result from a presentation of techniques; it will result from the willingness and ability of you and other managers and executives to see the subject area differently, more as an opportunity and less as a burden.

Let's look at this very simple puzzle that you may have seen before. It is called the Nine-Dot Puzzle. The nine dots are presented below.



The challenge is to connect all nine dots using a maximum of four straight lines without retracing any of your lines or lifting your pen or pencil from the paper. Take a moment to try the puzzle here or on a separate sheet of paper. Make as many attempts as you like.

One of three things will happen: You will know how to do the puzzle, you will have seen it before but will not remember how to do it, or it will be new to you. Take at least four minutes to attempt to solve it if you are unfamiliar with it. If you already know how to do it with four straight lines, your challenge is to connect all nine dots with one straight line.

Notice your internal conversation while attempting to solve the puzzle. Perhaps you will become frustrated or will decide that the puzzle is stupid, or perhaps you will think a trick is involved and the puzzle is not solvable without knowing the trick. Actually, if you are unable to solve the puzzle, it is not because a trick prevents you from doing so; more likely, it is because of the thinking and hidden assumptions that you bring to the puzzle. Most frequently, those individuals unsuccessful in solving this puzzle (as I was myself when I was first presented with it) have probably taken the border of the nine dots as the limit of the area they have to deal with. Please turn to the solution in appendix A and then return to this page. (Appendix A also provides an explanation of one way to solve the puzzle using one line.)

You will see that you have to use the area beyond the nine dots in order to solve the puzzle with four straight lines and that you will have to bring a third dimension into play to solve it with one line. Typically, as soon as most people realize they can use the area behind the nine dots, the solution is more readily apparent. But up to that moment, they are totally blind to it. Not only do they not know that the space is an opportunity; they do not know that they do not know that it is an opportunity. Remember Schopenhauer's quote. The opportunity *existed* but they could not see it.

So it is with productivity management. We are continually trying to implement effective productivity management within our own "nine dots." Those nine dots, whatever they are for each of us, represent the limits of opportunity and possibility. They represent a box that constrains our effectiveness. The key is to recognize that the box is not the way it *is* but the way we see it. To use productivity management effectively, you must go beyond the nine dots that define your limits.

It does not matter that we have evidence for what is possible. The evidence is often created by what we have already decided (our box). Consider this quote from Charles Garfield from his book *Peak Performers* (New York: William Morrow, 1986, pp. 69-70):

Until 1954, no one had ever run the mile in less than four minutes. During the year before Bannister, a young premed student, did it in 3:54.9, a number of scholarly papers were published arguing that the four-minute mile was physiologically impossible. The lungs, circulation, muscle fibers, autonomic nervous system of a human being were not designed to function at that level. That should have been environment enough to slow him down. Would any rational person feel he could do something that all of history said was not within human capability? . . . Bannister broke more than a world record. He broke through a self-limiting attitude. After his feat, runners throughout the world—including several high school students—started recording sub-four-minute miles regularly. The barrier had been more mental than physical, more internal than external, more self-set than biologically set.

So it might be with our view of productivity.

### Productivity Management—Going Beyond Doing More with Less

In the usual view of productivity management, our actions have been dictated by apparently conflicting circumstances—our desire to offer services of the highest quality but with less money and resources to do so. I suggest that the whole issue of productivity management will look different if you place it within the context of your commitment and vision. I am asking you to look at the possibility that productivity management is an ally, a support, and an opportunity for you to

excel as a health care professional. Effective productivity management can provide you with an important ingredient that will support your making the kind of difference you came into health care to make. This can happen even in the face of adverse circumstances, such as inadequate staffing or unresponsive administration. I am further suggesting that when you can place this subject within the context of making a difference in health care, it can become a powerful source of effectiveness and personal satisfaction in the workplace.

The experience of one hospital illustrates the importance of the managers' perspective on productivity. A productivity monitoring system had been installed in the hospital, and although the system was well designed, it had been imposed on the departments (in the managers' opinion) without their involvement and understanding. The system lacked credibility and therefore no one was using it. The administration subsequently brought me in as a consultant. I helped the managers see that the monitoring system involved more than numbers and that such an approach could be credible. Looking at the situation in a spirit of new possibility, the managers then took the initiative to go to the administration and propose ways to make the system work. The departments' prior perspective was to resist an "unfair" system. The new perspective allowed the departments to see the possibility of sharing responsibility in generating a system credible to both themselves and executive management.

Effective productivity management goes far beyond doing more with less. Opportunities abound in the workplace to increase productivity in ways that do not add a burden or diminish quality. Those opportunities exist to provide greater effectiveness and greater satisfaction.

In this book we are going to generate a powerful definition of productivity that will encourage you to see new opportunities. At the same time, we are not going to avoid the issue of that element of productivity that deals with how to best manage with scarce resources. Indeed, it will be dealt with in the fullest fashion. We will demonstrate how to analyze where you are and where you want to be relative to productivity, how to create and carry out a plan for improvement, and how to evaluate results. All of our discussion will be within the context of improving the quality of your department's work and the satisfaction you derive from it, as well of making it more efficient.

## A Self-Evaluation

Before that, however, it is time to find out how far we are from London! What follows is a self-evaluation to help you see where you stand vis-à-vis productivity. Please answer these questions thoughtfully and honestly. Note your answers in this book or on a separate piece of paper. It will be useful to review them once you have completed the book so that you can judge whether the book has made a difference for you personally.

Your responses will be based on what you presently understand. That is your starting point as you begin this book, and it is important to acknowledge it as you go forward.

**Question 1.** If you had to write a definition of productivity based on your present understanding, what would it be?

**Question 2.** If you had to write a definition of productivity management based on your present understanding, what would it be?

**Question 3.** If you could sum up in one or two words what your frank, emotional reaction to the word *productivity* has been until now what would it be?

**Question 4.** What are your personal concerns about productivity based on your present understanding of its meaning?

**Question 5.** What negative experiences have you had regarding productivity?

**Question 6.** What positive experiences have you had regarding productivity?

The next question needs to be prefaced by some comments. There are many ways to interest oneself in a book. One is to approach the book as though it might have an idea here or there that could be useful to you. Another is to gain sufficient mastery of the vocabulary of productivity so that you could hold an intelligent conversation about it. At the other end of the spectrum, one approach is to read every word as though all the words in the book were gems that would make a remarkable difference in your life as a manager.

Clearly, a book by itself cannot make any change or learning occur. It is just paper with words on it. Any well-written book expressing intelligent ideas is perhaps properly described as only an opportunity for learning. The benefit you derive from this book—or any learning experience—is directly related to the approach you take as you read it.

Let me use an analogy. Your first time at a horse race might be an intriguing experience. The colors of the jockey's uniforms, the beauty of the horses, the tension of the start, and the power and excitement of the race can all combine to create an involving experience. By the time you have watched a dozen races, however, the experience has likely become routine and repetitive. Now suppose you bet \$1,000 on one of the horses to win; your relationship with the race would change dramatically. You would be riveted, and you would watch every stride and movement of the horse on which you wagered. In short, you would have something at stake and that would change the way you view the race and your relationship with it.

I am asking you to read the remainder of this book as though you had something at stake regarding your involvement with productivity and productivity management. If you do not have a real issue at stake, make up something. For example, your future as a manager might be at stake (perhaps you know that if your area doesn't become significantly more productive, you will be removed from your position), or your job satisfaction might be at stake (the continual call to do more about productivity is discouraging and drains your enthusiasm). The more you can have at stake as you read this book, the greater your possible benefits will be.

**Question 7.** What can you have at stake as you read the remainder of this book? Or what do you have at risk by continuing to have productivity issues dealt with as they are presently?

I ask you especially to review this next question after you complete the book and possibly even refer to it from time to time as you read. It is the final benchmark of whether this book has been of service to you.

**Question 8.** What will you need to get from this book to make your having taken the time to read it worthwhile?

**Question 9.** Can you be committed to reading this book with an eye to seeing and going beyond your own "nine dots?" If the answer to the question is no, please consider what commitment you can bring to the book to make it worthwhile for you.

## Summary

For most of us, productivity management has come to be associated with "doing more with less." It is frequently an externally imposed activity that constrains our departments' work. If your answers to the questions reveal that your attitude toward productivity is less than enthusiastic, try for the moment to be open to a different, more empowering view. If you look at productivity management in the context of your commitment to health care, it can be a powerful source of effectiveness and satisfaction and a tool that will support you in carrying out your work and making a difference.