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THE VALUE OF GRADUATE EDUCATION TO PROMOTE SUSTAINABILITY IN HEALTHCARE ORGANIZATIONS

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ABSTRACT

Most healthcare systems continue to increase the price of their services while delivering lower quality services to their customers. Unfortunately, this strategy is no longer capable of providing sustainability to the vast majority of healthcare providers. These healthcare systems seem to be unaware of the changes that are occurring in the healthcare environment and making matters worse most of their employees are lacking the business skills necessary to respond to these environmental changes. Many of our healthcare systems have developed bureaucratic rules and regulations that stifles creativity thus eliminating the ability to rapidly respond to a changing business environment. They are unable to capitalize on the many opportunities that present themselves because of the much needed reform efforts found in healthcare today.

Kotter (2014) points out that in order to take advantage of market opportunities mature organizations require the creation of a dual operating system capable of creating a sense of urgency about responding to external conditions. This would entail the availability of a group of empowered entrepreneurs who work for the healthcare system attempting to provide disruptive innovation within the large health care delivery system.

This study of a large healthcare delivery system attempted to discover if graduate education in healthcare administration significantly affected employees' awareness of their changing environment and preparedness of their business acumen to exploit these changes. The findings in this paper clearly advocate for graduate education for healthcare employees in order to prepare for organizational challenges.

INTRODUCTION

It has been known for years that the major problems found in healthcare are a direct result of the rising cost and poor quality of American healthcare delivery systems. In order to address these problems healthcare providers must first understand the problems they face and then develop the business skills that are necessary to improve the efficiency and quality of healthcare services to their consumers.

Chopra (2014) points out that the majority of root causes of environmental change and subsequent business downturns are not only identifiable but preventable. The lack of recognition is a direct result of top management's inability to understand the need for constant innovation. Kotter (2014) argues that this is a very dangerous course to follow for any business in today's turbulent environment. In order to remain in business for the long-term the business must have a strategy in place to rapidly respond to the environmental realities and then be able to exploit the opportunities that may become available.

Cutler (2014) points out that there is a need to better organize groups of health care providers to improve health outcomes at a lower price. Kotter (2014) proposes the development of the dual operating system that could provide the much needed creativity and innovation that is so necessary to deal with a changing business environment. There would be a combination of a group of empowered entrepreneurs attempting to provide innovation within the large health care delivery system. In essence these entrepreneurs using their dual operating system would be functioning as a start up with the power to take risk in their attempt at improvement. There is a tremendous need for agility and creativity along with a sense of urgency required to take advantage of the many opportunities that present themselves because of much needed reform efforts found in the way health care services are being delivered to the American population. In order for this strategy to be successful employees must be aware of upcoming environmental changes and have the business knowledge that is necessary to exploit these changes.

A potential approach to prepare a healthcare workforce to become more entrepreneurial is to encourage employees to pursue graduate education in business or healthcare management/administration. A quality healthcare administration or business graduate program should expose employees to the most recent trends in the healthcare industry as well as further develop their employees' business skills. In response to the growing business complexity of the medical profession (Miron-Shatz, Shatz, Becker, Patel & Eysenbach, 2014) there are over 50 medical schools in the United States today that have a MD / MBA program to help prepare physicians for the workplace. Similarly, there are articles that promote the value of a graduate business degree to help medical professionals be prepared to improve the efficiency and profitability of their organizations (e.g., Ornstein, 2010). Research on the value of graduate business or healthcare administration to physicians however is limited. In one study a survey was administered to physicians and other healthcare professionals that just completed a graduate business program. The survey did reveal participant satisfaction with the program right after when the program was finished. No comparison groups were included in the study (Young, Hough & Peskin, 2003). This investigation utilizes a comparison group within a large healthcare organization to determine the extent to which graduate education influences employees on their perceived business acumen and knowledge of healthcare trends. Since physicians often leave primary care positions to move into upper-level administration, it is important to determine whether or not graduate business or healthcare programs have a significant impact on those participants compared to nonparticipants. If there are no substantial differences in the business skills or knowledge, then the value of offering this benefit is highly questionable.

- H1 Healthcare employees with a graduate education in business or healthcare are more knowledgeable of current healthcare trends than employees without this education.*
- H2 Healthcare employees with a graduate education in business or healthcare believe they have stronger business acumen than employees without this education.*

METHODS

A large healthcare system in the northeast was surveyed to discover their employees' knowledge of current and future environmental trends in the healthcare sector along with their level of business acumen. The survey was administered via survey monkey to all 4200 employees of this organization. 783 employees responded to this survey for a response rate of 18.6%.

This survey consisted of two sections pertaining to the above topics along with a third section on demographic information concerning the respondents. The first section of the survey contained 9 items pertaining to key business components (e.g., tax implications, human resources, legal, government). The second section asked respondents about their familiarity with the 10 most critical trends (e.g., use of analytics, care for the mentally ill, PPACA) in healthcare (Emanuel, 2014). The final section pertained to five demographic items (age, sex, tenure, education & full-time status).

RESULTS

The respondents were primarily female (70%) with an average age just under 50. A slight majority (51%) of these employees worked at this organization for over 10 years and about 90% are full-time employees. Only 12.5% of these employees have any type of graduate education in business or healthcare administration.

The internal consistency reliability of the 9-item scale on business acumen was .94, whereas the 10-item scale for healthcare trends had an internal consistency reliability of .95. Both of these coefficients are quite impressive.

The survey data was broken down based upon whether or not the respondent had completed any type of graduate education in business or healthcare administration. Demographic comparisons were made between those with a graduate education and those without. The only statistically significant difference ($p < .01$) based on this difference was that there was more male employees with a graduate education (19%) than female employees with a graduate education (11%). When this analysis was done for physicians only, there were no statistically significant differences based upon this classification.

Table 1 below displays mean differences across all employees on the two scales. For every single item on both scales employees with a graduate certificate or degree reported higher business acumen and knowledge of health care trends. Support for both hypotheses are thus indicated in these tables.

Table 2 presents this same analysis for physicians only. The results were almost as substantial. In six of the nine business areas physicians with a graduate degree reported statistically higher scores. Similarly, for healthcare trends physicians with a graduate certificate/degree reported considerably higher knowledge.

Table 1			
Mean differences across all employees with & without graduate certificate/degree in HCA			
	No grad certificate or degree (n = 617)	Grad certificate or grad degree (n = 88)	p-value
Business Acumen:			
1) Legal	2.18	2.88	.000
2) Tax	1.89	2.35	.000
3) HR	2.49	3.25	.000
4) Marketing	2.46	3.24	.000
5) Management	2.58	3.52	.000
6) Revenue	2.37	3.31	.000
7) Expense	2.42	3.34	.000
8) Patient	3.14	3.65	.000
9) Government	2.18	2.75	.000
TOTAL score	21.62	28.99	.000

Health care trends:			
1) Use of analytics in healthcare decision-making	1.97	2.69	.000
2) Care for the mentally ill	1.95	2.41	.000
3) Treatment of chronic illness	2.33	2.80	.000
4) New healthcare technologies	2.27	2.97	.000
5) Rise of specialty clinics	2.05	2.71	.000
6) Changes in employer healthcare programs	2.20	2.93	.000
7) Impact of the PPACA	2.65	3.22	.000
8) Implications of inflation on healthcare services	2.52	3.21	.000
9) Changes in medical education	2.25	2.69	.000
10) Changes in the healthcare workforce	2.49	3.02	.000
TOTAL score	22.71	28.99	.000

Table 2 Mean differences between physicians with & without graduate certificate/degree in HCA			
	No grad certificate/ degree (n = 35)	Grad certificate or grad degree (n =13)	p-value
Business Acumen:			
1) Legal	2.18	2.88	.003
2) Tax	1.89	2.35	.106
3) HR	2.49	3.25	.023
4) Marketing	2.46	3.24	.032
5) Management	2.58	3.52	.031
6) Revenue	2.37	3.31	.037
7) Expense	2.42	3.34	.009
8) Patient	3.14	3.65	.078
9) Government	2.18	2.75	.134
TOTAL score	21.62	28.99	.007
Health care trends:			
1) Use of analytics in healthcare decision-making	1.97	2.69	.010
2) Care for the mentally ill	1.95	2.41	.193
3) Treatment of chronic illness	2.33	2.80	.092
4) New healthcare technologies	2.27	2.97	.046
5) Rise of specialty clinics	2.05	2.71	.030
6) Changes in employer healthcare programs	2.20	2.93	.010
7) Impact of the PPACA	2.65	3.22	.018
8) Implications of inflation on healthcare services	2.52	3.21	.070
9) Changes in medical education	2.25	2.69	.654
10) Changes in the healthcare workforce	2.49	3.02	.047
TOTAL score	22.71	28.99	.019

DISCUSSION

There is growing evidence of the need for investment in the preparation of human capital for the changes that are occurring in the delivery of healthcare services by American healthcare providers. This investment requires preparing employees with environmental information along with the requisite business skills to deal with an uncertain and ever changing healthcare environment.

The results of this study revealed that individuals who had received business education training were more aware of the changing healthcare environment and better prepared to exploit the opportunities that were made available by these changes. Healthcare employers should strongly consider this initiative to develop their workforce for the future.

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