



## The healthcare sector post-pandemic: A new paradigm emerges

No sector was impacted by the covid-19 pandemic more directly and dramatically than healthcare. Yet across different organisations and roles, the nature and intensity of these impacts varied. For example, clinical staff in emergency rooms and intensive care units were on the frontlines treating infected patients, while many behavioural health specialists pivoted to delivering care virtually. Some challenges presented by the pandemic were wholly new, while others served to accelerate trends in motion prior to March 2020.

To understand the sector's current landscape, Economist Impact (formerly The Economist Intelligence Unit) surveyed more than 1,200 healthcare workers and executives around the US across various functional roles in November and December 2020. This covered topics ranging from worker concerns and priorities to digital maturity and technology investments to outlooks on the future. Taken together, what emerges from these results is a palpable sense that many frontline workers have been pushed to their limits and that healthcare organisations have significant work to do around workforce support and development and digital transformation. Key survey findings and the trends they underscore are presented below.

SPONSORED BY



**Prudential**

**Frontline workers have borne the brunt of the covid-19 pandemic, while not receiving sufficient health and financial support.**

The burnout and stress experienced by frontline nurses, doctors and other caregivers during the pandemic is significant—and has major implications for healthcare organisations as they chart a path forward. The adverse psychological effects experienced by staff leave organisations vulnerable to increased resignations, which has both strategic and cost implications.

Clear signs of stress and exhaustion emerged from the survey. More than half—56%—of surveyed frontline workers said that covid-19 had a negative impact on their mental health and that of their coworkers, compared with 35% of non-frontline workers. At the same time, just 31% of frontline workers say they feel valued, compared with 50% of healthcare employees not on the frontlines (Figure).

Those survey findings speak to the challenge many healthcare organisations now face in building workforce morale. One opportunity to do so may be in the realm of benefits. Only

28% of respondents said they have access to mental health assistance, while just 13% said they have access to financial wellness tools and resources. Given covid-19-related mental health challenges and research linking financial wellness and mental health, this is cause for concern.

**Figure: Frontline workers are less likely to feel strongly about various aspects of their relationship with employers, compared with non-frontline workers.**

How much do each of the following describe the worker-employer experience where you work? (% worker responses who feel very or extremely)



Source: Economist Impact

Only 28% of respondents said they have access to mental health assistance, while just 13% said they have access to financial wellness tools and resources. Given covid-19-related mental health challenges and research linking financial wellness and mental health, this is cause for concern.



**A large majority of workers look to the future with confidence—but most see a stronger workplace culture and more holistic benefits as key to feeling valued.**

A good piece of news for employers is that a clear majority of workers feel a strong sense of job security. Nearly 70% felt very or extremely confident about keeping their job in the next three years. In particular, only 18% of frontline workers are very or extremely worried about their job security today, compared with 38% of non-frontline workers. That could relate to an awareness of the healthcare sector's current labour shortages. But the survey findings also speak to employers' opportunity to build momentum with employees who remain

positive about working at their organisation even after working through the pandemic.

Of course, employers must engage all workers to build a cohesive workforce culture and prevent turnover. When asked what is most important to feeling valued, 56% of healthcare workers pointed to something associated with culture—like a healthy work-life balance, diversity and inclusion and fulfilling a sense of purpose. More than half (51%) of workers selected responses associated with workplace benefits—for example, a strong retirement plan, financial wellness programmes, mental health support and childcare support. It appears that workplace culture-building and provision of benefits may be a focus in the sector as organisations address gaps highlighted by the pandemic.



### Healthcare executives say investing in training and more robust human resources (HR) practices are crucial to filling skills gaps.

Executives pointed to these two major avenues for filling skills gaps, according to the survey. More than 90% of these respondents say reinvestment in staff training is required to face the challenges that lie ahead. The most important skill required for navigating their sector's future? "Adaptability and continuous learning" and "leadership" tied for the top spot, with 25% of executives choosing both.

With about 92% of executives agreeing that covid-19 has accelerated the telehealth revolution, it makes sense that IT/data security was one of the skills gaps they identified as most critical to fill in the near term. Customer service, executive leadership and HR (including diversity, recruitment and benefits) were other functions they identified as having

critical skills gaps. In terms of recruiting and retaining talent, the most common strategies healthcare executives say organisations have implemented or are planning to implement are:

- Investing in, developing and delivering effective training
- Updating HR policies and practices
- Enhancing diversity and inclusion recruitment
- Leveraging technology to enhance worker experience
- Providing leadership training

Executives should be encouraged by healthcare workers' overwhelming interest in improving or expanding their skills: about 60% of surveyed workers said they were either moderately or very interested, while another 25% said they were somewhat interested. This suggests that workforces will generally respond well to training initiatives.

Executives should be encouraged by healthcare workers' overwhelming interest in improving or expanding their skills: about 60% of surveyed workers said they were either moderately or very interested, while another 25% said they were somewhat interested.



### **Digital transformation is required to maintain competitiveness—and organisations are prepared to invest.**

The pandemic accelerated the healthcare sector's digital evolution, moving what had been marginal offerings into the mainstream. It's not just patients' newfound comfort with virtual care delivery platforms—many workers are now comfortable with remote work, and don't want to go back to the old normal.

Healthcare organisations are aware of the need to invest in critical digital technology areas to compete with other businesses, the survey found. The majority of executives anticipate significant or moderate increases in investments in these five areas in the next two to three years: cybersecurity (61%), data security and protection (59%), remote work experience (54%), automation/AI (52%), and cloud technology (50%).

The bottom line, when it comes to healthcare and digital transformation, is that the pandemic removed old organisational barriers to change, and most executives view technology investments as a strategic imperative.

### **Conclusion: Time for a morale boost**

Millions of frontline healthcare workers and their organisations stepped up during the pandemic. Their efforts were heroic, and exhausting. As the pandemic ends and healthcare organisations move into an uncertain future, executives must grapple with two basic realities: morale is lower within pockets of the workforce, and the forces of change reshaping the sector will likely only strengthen in the years to come. The good news is that the pandemic proved that even in a large, complex industry like healthcare, change can come quickly when it must.

While covid-19 required rapid improvisation, the change management challenges that lie ahead for executives are more strategic. Most urgent is the need to build a stronger workplace culture that boosts employee morale and prevents further workforce gaps. To the extent that leaders can address that problem, their organisations will be a step ahead of the pack as they work to fill crucial skills gaps and integrate technology more deeply into how they operate and deliver healthcare.

While covid-19 required rapid improvisation, the change management challenges that lie ahead for executives are more strategic. Most urgent is the need to build a stronger workplace culture that boosts employee morale and prevents further workforce gaps.



While every effort has been taken to verify the accuracy of this information, Economist Impact cannot accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in this report. The findings of the research and opinions on the outcomes solely represent the view of Economist Impact and do not necessarily reflect the views of the sponsor.

---

Retirement products and services are provided by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT or its affiliates. PRIAC is a Prudential Financial company.

© 2021 Prudential Financial, Inc. and its related entities. Prudential, the Prudential logo, and the Rock symbol are service marks of Prudential Financial, Inc., and its related entities, registered in many jurisdictions worldwide.

1051057-00001-00 HC\_AR\_RE3\_01 08/2021