High-Performance Workplace Practices in Nursing Homes: An Economic Perspective

Christine E. Bishop, PhD
High-Performance Workplace Practices in Nursing Homes: An Economic Perspective

Christine E. Bishop, PhD

Heller School for Social Policy and Management, Brandeis University, Waltham, Massachusetts.

Address correspondence to Christine E. Bishop, PhD, Heller School for Social Policy and Management, Brandeis University, 415 South Street, Mailstop 035, Waltham, MA 02254-9110. E-mail: bishop@brandeis.edu

Received May 16, 2013; Accepted November 14, 2013
Decision Editor: Sheryl Zimmerman, PhD

To develop implications for research, practice and policy, selected economics and human resources management research literature was reviewed to compare and contrast nursing home culture change work practices with high-performance human resource management systems in other industries. The organization of nursing home work under culture change has much in common with high-performance work systems, which are characterized by increased autonomy for front-line workers, self-managed teams, flattened supervisory hierarchy, and the aspiration that workers use specific knowledge gained on the job to enhance quality and customization. However, successful high-performance work systems also entail intensive recruitment, screening, and on-going training of workers, and compensation that supports selective hiring and worker commitment; these features are not usual in the nursing home sector. Thus despite many parallels with high-performance work systems, culture change work systems are missing essential elements: those that require higher compensation. If purchasers, including public payers, were willing to pay for customized, resident-centered care, productivity gains could be shared with workers, and the nursing home sector could move from a low-road to a high-road employment system.

Key Words: Nursing home, Workforce, Culture change, Resident-centered care, Work system

Frontline service production in some traditional nursing homes exhibits many of the features of a classic “low road” enterprise, where management attempts to keep labor costs as low as possible through fragmented jobs and close supervision (Handel & Gittleman, 2004). Nursing home direct care jobs have few skill requirements, minimal selectivity in hiring, cursory initial orientation and on-the-job training, low wages and benefits, and supervision focused on completion of defined tasks (Bishop et al., 2008). Nursing assistants describe the work itself as repetitive, taxing, and demeaning. Workers are treated as unreliable and easily replaceable. High turnover justifies low on-the-job investment in workers’ skills, because internally trained workers are likely to leave for better opportunities.

Culture change alters some of these characteristics of work. Initially focused on the physical and social conditions of nursing home life, innovators soon realized that the autonomy and dignity of individuals needing intimate personal care depend essentially on the routines and attitudes of the
frontline staff who care for them (Elliot, Cohen, Reed, Nolet, & Zimmerman, 2014). Nursing homes pursuing culture change began to experiment with job flexibility supported by worker cross-training, team self-scheduling, job training and career ladders, worker control over how work is done, and recognition for employees who demonstrate support for resident choice. These workplace practices became an essential part of the definition of culture change (Koren, 2010). These practices appear to move nursing home work from the low road toward the “high road” of better jobs for better care.

Similar workplace practices are found in other industries and have been examined by economists and management scholars as high-performance work practices. Their studies yield insights for further development of nursing home culture change.

First, the studies suggest how these particular workplace practices can increase productivity: Empowered workers are able to commit their discretion and job-related knowledge to production in a way that is not supported in closely managed, supervisor-directed work systems.

Second, they suggest the circumstances where work system transformation can increase the market value of workers’ product: American industry adopted high-performance work systems when faced with competition on quality; for the culture change nursing home, the market value of the culture change service enhancements will determine sustainability.

Third, the comparison between the full list of high-performance workplace practices and those identified as essential for culture change indicate that important practices are missing from the culture change bundle: higher wages to support intensive recruitment and screening for abilities and attitudes; effective job orientation and on-the-job training; and pay trajectories that retain productive, experienced workers.

Finally, the high-performance literature does not have a clear answer about whether introduction of high-performance practices improves workers’ well-being; for the nursing home sector, it is not clear whether culture change workplace practices promoting better care will lead to better jobs.

**High-Performance Work Systems: A Template for Transforming Nursing Home Work?**

Many American manufacturing firms changed their workplace systems during the 1980s and 1990s, initially in response to competition from Japanese firms with an edge in productivity, prices, and product quality. American industry had previously relied on “scientific” management, which used industrial engineering to minimize labor costs wherever possible. This was accomplished by developing hierarchies of simplified, specialized jobs geared to specific tasks and filling them with workers with narrow skills and little discretion over production (Doeringer, Evans-Klock, & Terkla, 2002; Gill, 2009). The “scientific” organization of work economizes on investments in workforce development and relies heavily on managerial decision making and control; close supervision coordinates the order, speed, and quality of tasks to be performed (Bartling, Fehr, & Schmidt, 2012). When work has been routinized and skills minimized, new hires can easily perform jobs, so there is little to gain from retaining workers on the job, and turnover is tolerable.

The Japanese challenge to American manufacturing sparked attempts to convert management from continuous cutting of labor costs to investing in worker productivity. The new system emphasized enriching the skill content of jobs, granting workers more voice and responsibility, and directing worker attention to the quality of goods and services they were producing (Ichniowski & Shaw, 2003). High-performance work systems combine specific practices to elicit the commitment, skills, and knowledge of frontline workers for production. Intensive worker recruitment permits new hires to be screened for skills, abilities, and attitudes that will fit the system (Bartling et al., 2012; Huang & Cappelli, 2010). Job orientation and training develop skills needed for particular jobs and commitment to enterprise goals (Ichniowski & Shaw, 2003). Workers are cross-trained for jobs with flexible boundaries, and teams can use their on-the-job knowledge to develop creative ways to increase productivity (Lazear & Shaw, 2007).

Where workers take more responsibility for quality control and self-supervision, supervisory hierarchies can be flattened, saving management costs. Information is shared with frontline workers—both information enabling them to do their specific jobs better and enterprise-level information, because transparency can enhance a sense of shared mission (Gant, Ichniowski, & Shaw, 2002; Preuss, 2003). The knowledge of frontline workers is recognized, respected, and used in production. All this has implications for compensation: Pay must be sufficient to attract a pool of appropriate applicants and retain workers that have been trained on the job, and performance and
commitment must be rewarded through promotions and pay increases. Practices generally identified as part of a high-performance work system are listed in the left-hand column of Table 1.

**High-Performance Work Practices Included in Culture Change**

A number of work practices typically identified as markers of culture change mirror the practices that appear in high-performance work systems. The development of worker teams to consider job scheduling and job flexibility is part of many descriptions of culture change transformation efforts (Leutz, Bishop, & Dodson, 2010; Loe & Moore, 2012; Scalzi, Evans, Barstow, & Hostvedt, 2006). Frontline workers are empowered to use their knowledge of residents and care tasks to make care more resident-centered and the environment more homelike (Barry, Brannon, & Mor, 2005). Relaxing rigid schedules to better respect resident preferences (e.g., for bathing and eating) requires nursing assistants to adopt flexible procedures (Crandall, White, Schuldheis, & Talerico, 2007). Serving meals from kitchens located on the nursing unit has become a marker of culture change, giving residents more immediate choice of food and enabling them to participate in a more homelike dining experience; however, jettisoning tray service requires job flexibility from food service workers, housekeepers, and certified nurse assistants alike (Leutz et al., 2010). Reorganizing nursing units into households supports job flexibility, self-managed teams with less direct supervision, and empowered workers’ participation in decision making; the small house model embodies this approach, with frontline workers carrying out tasks from cooking and cleaning to personal care that are assigned to distinct job titles in traditional nursing homes (Rabig, Thomas, Kane, Cutler, & McAlilly, 2006).

![Table 1. High-Performance and Culture Change Work Practices](https://academic.oup.com/gerontologist/article-abstract/54/Suppl_1/S46/688446/17565688446)

*Note:* CNA = certified nurse assistant; LPN = licensed practical nurse; NP = nurse practitioner; RN = registered nurse.

---

**Table 1. High-Performance and Culture Change Work Practices**

<table>
<thead>
<tr>
<th>High-performance work practicesa</th>
<th>Culture change work practicesb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment, screening for skills, attitudes</td>
<td>Not included.</td>
</tr>
<tr>
<td>Training—general and specific skills, enterprise goals</td>
<td>63. Job development program, for example, CNA to LPN to RN to NP.</td>
</tr>
<tr>
<td>Cross-training, flexible/expanded job assignments</td>
<td>57. Facility pays expenses for nonmanagerial staff to attend outside conferences or workshops, for example, CNAs, direct care nurses.</td>
</tr>
<tr>
<td>Flexibility for worker in how work will be done</td>
<td>60. Activities, informal or formal, are led by staff in other departments such as nursing, housekeeping, or any departments.</td>
</tr>
<tr>
<td>Self-managed teams</td>
<td>59. Percent of other staff cross-trained and certified as CNAs in addition to CNAs in the nursing department.</td>
</tr>
<tr>
<td>Frontline worker participation in decision making</td>
<td>56. Self-scheduling of work shifts. CNAs develop their own schedule and fill in for absent CNAs. CNAs independently handle the task of scheduling, trading shifts/days, and covering for each other instead of a staffing coordinator.</td>
</tr>
<tr>
<td>Flattened supervisory hierarchy</td>
<td>56. Self-scheduling of work shifts. CNAs develop their own schedule and fill in for absent CNAs. CNAs independently handle the task of scheduling, trading shifts/days, and covering for each other instead of a staffing coordinator.</td>
</tr>
<tr>
<td>Information sharing, enterprisewide, and job specific</td>
<td>51. Learning circle or equivalent are used regularly in staff and resident meetings in order to give each person the opportunity to share their opinion or ideas.</td>
</tr>
<tr>
<td>Incentive pay for performance, increased skills</td>
<td>52. Family meetings are held on a regular basis bringing staff, residents, and families together as a community.</td>
</tr>
<tr>
<td>Employment security</td>
<td>48. CNAs attend resident care conferences.</td>
</tr>
<tr>
<td>Incentive pay for performance, increased skills</td>
<td>66. Employee evaluations include observable measures of employee support of individual resident choices, control, and preferred routines in all aspects of daily living.</td>
</tr>
<tr>
<td>Employment security</td>
<td>62. Career ladder positions for CNAs, for example, CNA II, CNA III, team leader, and so on. There is a career ladder for CNAs to hold a position higher than base level.</td>
</tr>
<tr>
<td>Employment security</td>
<td>61. Awards given to staff to recognize commitment to person-directed care, for example, Culture Change award, Champion of Change award.</td>
</tr>
</tbody>
</table>

---

a High-performance work system practices are drawn from the high-performance work system literature surveyed here.

b Culture change work practices are specific items in the Artifacts of Culture Change (Bowman & Schoeneman, 2006; Sullivan et al., 2013).
The Artifacts of Culture Change, a widely accepted scale for assessing the degree of culture change adoption (Bowman & Schoeneman, 2006; Doty, Koren, & Sturla, 2008; Sullivan, Meterko, et al., 2013), includes training and cross-training, flexible and enriched jobs, and various forms of worker participation. Although the Artifacts instrument does not encompass every workplace element that has been named in the culture change literature, it is a useful tool for comparing culture change and high-performance practices (see Table 1, column 2).

Making Worker Knowledge Available to Enhance Quality.—The economics and management literature concludes that high-performance work systems increase productivity by bringing worker knowledge to the production process. Frontline worker discretion and involvement are even more important for person-centered nursing home care than for the manufacturing production processes. The nursing home adopting culture change replaces standard care practices with approaches to dining, bathing, sleep schedules, and community activities that better accommodate residents’ autonomy and individuality (Elliot et al., 2014). To be successful, frontline workers must implement these approaches with knowledge of and attention to each resident’s background, health conditions, and preferences. A homelike community cannot be created by performing assembly-line tasks but requires that teams work together to respond to and relate to their residents. Frontline workers can make their knowledge and commitment available to the production process if they are empowered and encouraged to do their jobs in the best way they know.

Net Value of Productivity Increases.—The economics and management literature concludes that high-performance systems increase the value of workers’ output especially where product quality is valued or where the product is customized. Despite strict regulation of inputs and processes over many years, nursing homes have been plagued by clinical quality problems (Koren, Minnix, & Yarwood, 2010). If frontline worker knowledge and autonomous decision making could be nurtured and enlisted in pursuit of nursing home service quality, these problems might be ameliorated, as they have been for some firms in the automobile, steel, and banking industries. And it is hard to imagine a service more customized than the support of daily living for persons with disability and chronic illness. In contrast to manufacturing processes where worker commitment may be optional, true resident-centered, relationship-based care cannot be provided without commitment of the skills, knowledge, and the effort of frontline workers.

However, as much as residents may gain from increased quality of care and quality of life, it is not clear that productivity increases along these dimensions are valued in the marketplace. If payers are not willing to reward nursing homes for better resident experience and quality of life, nursing homes have little incentive to incur the cost of adopting high-performance work systems (Elliot, 2010). Some Medicaid programs are paying a premium for culture change through pay-for-performance rates (Miller et al., 2013). The culture change adoption literature suggests that nursing homes serving more private pay residents are more likely to adopt culture change (Grabowski, Elliot, Leitzell, Cohen, & Zimmerman, 2014; Miller et al., 2013). Nonprofit organizations are more likely to adopt culture change, signaling the value they place on quality and resident centeredness. Similarly, the Veterans Administration effort to convert their nursing homes to become more homelike demonstrates that a government organization can implicitly place a high value on resident-centered services (Hartmann & Berlowitz, 2009; Sullivan et al., 2013). But until the product provided under the culture change model is rewarded in the general marketplace, workplace system changes may not be sustainable.

Costs of implementing high-performance work practices must also be taken into account. Like high-performance work system implementation studies, qualitative studies of culture change have noted challenges to middle management as supervisory hierarchy is flattened and frontline workers take on more responsibility for their work (Sterns, Miller, & Allen, 2010). Reducing the role of the licensed nursing supervisor must be done with care so that frontline workers take on only appropriate tasks and responsibilities (Bellot, 2012; Bowers & Nolet, 2014). Nursing assistants, dietary workers, and housekeepers as well as licensed nurses may experience role strain as they try to live by the culture change maxim, “It’s everybody’s call bell” (Leutz et al., 2010). As in industry, flexibly designed jobs and reduced roles for supervisors are likely to be easier to implement in start-up settings where all the workers are new to the work site (Doeringer et al., 2002; Ichniowski & Shaw,
Implementing the Full Complement of High-Performance Practices.—Culture change practices, as enumerated in the Artifacts and elsewhere, omit altogether a major piece of the high-performance practice cluster (Table 1)—practices that require higher wages. Intensive recruitment and skill-driven retention typically require pay offers that reflect competencies and are likely above the market wage for skill (Bartling et al., 2012). For culture change as measured by the Artifacts scale, personnel evaluation and awards recognize active employee support of individual resident choices, and points on the Artifacts scale are given for career ladders that recognize worker skill development. But these practices fall short of paying for the competencies that workers develop on the job. Further, a commitment to employment security appears critically important when management asks workers to share tasks with other job classifications (Leutz et al., 2010). The increased compensation that high-performance work system scholars deem necessary to establish this bundle of practices is not included in the culture change list.

In this regard, it is notable that high-performance work systems were introduced into industries that had high-waged, stable workforces long before the firms began to treat the workforce as an investment opportunity rather than a cost driver. A nursing home sector attempting to engage frontline caregivers in customized, person-centered care begins at a deficit, with a low-skilled, low-wage workforce exhibiting tenuous job attachment. If it is able to adopt the full complement of high-performance practices, the nursing home sector would be a rare example of a low-wage sector moving to the high road.

Gains for Nursing Home Workers.—Research on high-performance practices does not have a clear answer about whether high-performance jobs are better jobs and whether productivity gains derived from high performance are shared with workers. This has a parallel in the care work arena, where the hypothesis that culture change provides better jobs and thus better care has not been definitively tested. As high-performance work systems emerged, some observers inferred that expanded jobs and worker voice would provide a “win-win-win” outcome for employers, workers, and the final customer (Appelbaum & Batt, 1994). While greater productivity and better-quality goods and services are raising profits, increased skill, less autocratic management, and greater worker participation could simultaneously raise job satisfaction and pay. According to long-standing theories, task variety and control over one’s work should increase job satisfaction (Hackman & Lawler, 1971). Nevertheless, high-performance work systems are introduced to yield gains to the firm. They may allow firms to cut costs: If workers become sufficiently productive, frontline jobs can be trimmed, and when self-managed teams and autonomous workers are substituted for managerial control, midlevel supervisors can be laid off. Enriched jobs, greater productivity, and expanded responsibilities represent more work for employees. Less support from supervisors and increased responsibility may generate job stress (Batt, 2004; Brenner, Fairris, & Ruser, 2004; Godard, 2004). Although some studies have concluded that workers gain job satisfaction from participating in a high-performance work organization (Bockerman, Bryson, & Ilmakunnas, 2012; Chuang, Dill, Morgan, & Konrad, 2012; Harley, Allen, & Sargent, 2007), others have found no differences in job satisfaction (Godard, 2010) and dignity on the job (Berg & Frost, 2005) and have noted increased occupational stress (Brenner et al., 2004). Perhaps the most telling finding is that productivity gains have generally not been shared through higher wages (Handel & Gittleman, 2004).

Studies investigating the impact of culture change and high-performance work practices on the job satisfaction of nursing home workers have also shown mixed outcomes (Harley et al., 2007; Hunter, 2000; Rondeau & Wagar, 2006). Some scholars have raised the concern that, as in other workplaces, expanded jobs and deeper commitment to work result in work intensification and job strain, especially if these are not rewarded by higher wages (Leutz et al., 2010; Lopez, 2006a, 2006b).

Discussion

The comparison of culture change work practices with high-performance work systems suggests some directions for practice and public policy that could bring a high-performance work systems approach to the nursing home sector. First, the high-performance work system literature reminds us that the full complement of high-performance practices must be introduced in the nursing home if the full benefit of these practices is to be realized. Regulations that focus on worker competencies rather than credentials and on
outcomes rather than inputs could smooth the way for more flexible job descriptions, difficult to achieve in the health field. Screening and on-the-job training would invest in the workforce so that workers’ skills and involvement are available for frontline care. Second, public and private budget constraints are often seen as insurmountable barriers to increases in nursing home worker compensation, even when wage increases would be granted in return for increased value of the nursing home’s enhanced output—resident-centered care. But comparing the nursing home sector to other industries in this regard should refresh our ideas about what can be accomplished. If greater value is produced by culture change, the market, including public payers, should be willing to pay for this value. Providers in turn can share these gains with their workers. Including culture change or quality of life information on Nursing Home Compare could allow consumers to choose culture change services if they prefer them (Park, Konetzka, & Werner, 2011). When Medicaid rates include pay for performance for resident-centered care, or when private-pay residents seek out culture change homes, frontline workers’ pay can be increased.

Ideally, the nursing home culture change work force could move from high turnover, low wage, low skilled work to selective, higher wage, high retention work, with respected skills and knowledge of residents developed on the job. The role of engaged frontline nursing home workers in producing value in resident-centered care has the potential to move these workers from low road to high road jobs.

Funding
This work was supported by the Office of the Assistant Secretary for Planning and Evaluation, Office of Disability, Aging and Long-term Care Policy, under the Intergovernmental Personnel Act, and by The Heller School for Social Policy and Management, Brandeis University, sabbatical leave and the Atran Foundation. The author was an Atlantic Philanthropies Health and Aging Policy Fellow, 2012-13. The views expressed are those of the author.

Acknowledgments
The author is grateful to Peter Kemper, Helen Lamont, the members of the Culture Change workshop, and an anonymous referee, and to the memory of Susan Eaton, who discerned intriguing parallels in nursing home human resources innovation even before culture change took root.

References

Vol. 54, No. S1, 2014 S51