

Justice in the Workplace



Principles and Guidelines for Health Care
Organizations in Times of Restructuring

Catholic Health Association of Canada

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Introduction

Clare Peters is the Administrator of a 200 bed Catholic hospital. Over a very short period she has had to face massive changes within her facility due to health care restructuring in the region and significant reductions in government funding. Clare is sensitive to the impact these changes are having on staff and is keenly aware of the insecurity they're feeling due to possible downsizing. As a leader in an organization committed to mission-driven ministry shaped by Gospel values, Clare asks herself: *If we can no longer guarantee lifelong employment, then what is our relationship with staff? How do we ensure that justice remains central to the organization's relationship with all staff?*

Sharon Smith, 37, is a Registered Nurse who has been working at this facility for the past 16 years. She holds a full-time advisory position. She is a single parent, mother of three children ages 15, 13 and 11. This is the only job she has ever held since graduating from nursing school. After hearing about the impending downsizing, she is filled with fear and panic. She realizes she will be out of work since there are several nursing supervisors who have seniority over her. She asks herself: *What am I going to do? What do I do to prepare for a job interview — it's been so long? How will I manage financially? Will I get work? Can I keep our home? I'm so scared!*

* * *

Catholic health care organizations are directed by a unique mission and set of values rooted in the church's healing ministry. As communities of service they are directed to providing excellent care for patients/residents in a compassionate and just manner.

As communities of work, these organizations recognize the rights and needs of their personnel and are committed to developing and maintaining employer-staff relationships characterized by fairness, compassion and mutual accountability.

As illustrated in the two introductory stories, times of fiscal restraint and restructuring place particular tensions on these relationships and challenge Catholic organizations to assess how well they are living these values. In the aftermath of a sea of changes, the relationship between organizations and their staff has been profoundly disturbed.

The guidelines presented in this document were developed to provide assistance to Catholic health care organizations, and other organizations sharing the same values, when faced with restructuring and the possibility of layoffs. The values and practical suggestions that are highlighted flow from the Catholic Church's social teachings.

These guidelines are based on a one-day consultation CHAC held in June 1996; a human resources document prepared by the RHSJ Health System Management Council; sections of the CHAC *Health Care Ethics Guide*; and, input from Duane Falconer, SJ, a student at Regis College, Toronto, and Sr. Rosemary MacDonald, CSM. The section on contracting out was developed from a discussion paper prepared by Sylvia Halliday and George Webster. The document reflects, as well, discussions by the CHAC Board of Directors.

Part I

Rethinking the Employer-Staff Relationship

1. The Catholic Health Care Organization

The *raison d'être* and basic orientation of Catholic health care organizations is concern for the health and well-being of the patients/residents and respect for the dignity of every person. These organizations affirm the centrality of responding to the needs of those being cared for, and recognize the importance of family, friends and the wider community in the health care endeavour.

AN ATMOSPHERE THAT PROMOTES HEALING

- The healing ministry of the Catholic health care organization is an expression of the ministry of Christ and of the church. Attending to physical, emotional and spiritual healing is only possible in an atmosphere that is characterized by a spirit of compassion, hope and respect for the dignity of persons.

A COMMUNITY OF CARE GIVERS

- All persons within the organization — administrators, physicians, nurses, other health professionals, staff and volunteers — have a role to play in the organization's effort to become a healing community. As such, everyone within the organization is called to create an environment that is marked by mutual respect and sensitivity to the varied needs and concerns of others.

- There is a profound difference between an organization that is a community with shared values and an organization that is built on purely contractual, money-mediated relationships. Organizations built on a commitment to a shared vision and values have higher levels of trust and tolerance, greater learning abilities, and require fewer controls. Catholic health care organizations strive to become such communities.

A FAITH-BASED PERSPECTIVE

- The behaviour of the faith-based health care organization as a whole, and all its members, from the chair of the board and the CEO to the house-keeping staff and volunteers, aims at reflecting the core beliefs and values of the faith tradition.

CONNECTING FAITH AND ETHICS

- Ethics identifies the practical implications of faith for how one behaves. In faith-based health care, ethics extends beyond clinical ethics to encompass the entire culture of the organization and the ways it is manifested both internally and externally.

Internally, the way an organization relates to its staff reflects the breadth and depth of the organizations fundamental commitments. The primary way in which an organization relates to its employees is through its structures, policies, and procedures. Do these reflect the faith-based character of the organization? Are the fundamental commitments of the organization evident in salaries and benefits, and in the way downsizing occurs? The ways in which an organization relates to its staff provides opportunities for embodying the organization's faith-based values.

ADMINISTRATIVE FUNCTION

- The administration coordinates the multiple functions in the health care organization in a way that encourages personnel and patients/residents to form a truly human community.

EMPLOYER-STAFF RELATIONSHIPS

- This relationship calls for fairness and mutual accountability. There is a recognition of the rights and needs of the employer and of the personnel.
- Those who give direct care and those whose work enables care givers to function effectively are valued equally in the mission and operation of the organization. All persons are treated with respect and equal consideration in employment practices.
- The expert knowledge and experienced judgement of the health care professionals are acknowledged in their individual areas of competency and in the collaborative approach of health care teams to consultation, decision-making and service.
- All members of the organization's health care community respect the basic orientation of its mission in their work.
- Women and men of all cultures have equal opportunity for employment and career development and are entitled to fair compensation for their work.
- The employer recognizes the right of staff to form associations to engage in collective bargaining, to provide various benefits for their members and to work for a better society.

- ➔ In conformity with the organization's mission and purpose, administrative decision-making, planning and policy formation are participative processes, involving managers, health care professionals, other staff and representatives of the community served.

2. The Church's Social Teaching on Work

The social teaching of the church has its roots in scripture and in the experience of the Christian community as it has attempted to apply Christian values and tradition to concrete issues and situations.

Catholic social teaching has always valued and tried to promote the common good. Since Vatican II the church has matured in its understanding of the obstacles in society and in organizations that exclude individuals and groups of people from active participation in the development of the human community. That realization has generated social principles, some of which appear below, that encourage us to live those values that will creatively promote justice and build community in the workplace. Because the most persuasive teaching is a lived witness, the church and Catholic organizations are challenged to actively promote these social principles within their own organizations and among their members.

Catholic social teaching calls for active promotion — even advocacy — on the part of the entire human community. By responding to this call, Catholic health care organizations can become fundamental agents of healing, not simply of individual persons, but also of those larger social structures that currently function to exclude the full participation of persons.

What follows is a list of themes underscored by Catholic social teaching that apply to the workplace and to organizations faced with restructuring and possible downsizing.

The Dignity of the Human Person

“We believe that the person is sacred — the clearest reflection of God among us. Human dignity comes from God, not from nationality, race, sex, economic status, or any other human accomplishment. We judge any system by what it does for and to people and how it permits all to participate in it.”

Economic Justice for All, NCCB (USA), 1986

The Dignity of the Person Through Work

“Work is a good thing for man — a good thing for his humanity — because through work man not only transforms nature, adapting it to his own needs, but he also achieves fulfillment as a human being and indeed in a sense becomes more a human being.”

Laborem Exercens, 1981

Stewardship

“As subjects of creation, people are also called to be responsible stewards of natural resources in a socio-economic order.... This means finding ways of using capital and technology in partnership and harmony with nature.”

Ethical Reflections on Canada's Socio-Economic Order, CCCB, 1983

The Common Good

“... a human being expresses and fulfills himself by working. At the same time, work has a ‘social’ dimension through its inti-

mate relationship not only to the family, but also to the common good..."

Centesimus Annus, 1991

"As Christians we are called to become involved in struggles for economic justice and to participate in building a new society based on gospel principles. In so doing, we fulfill our vocation as a pilgrim people on earth, participating in creation and preparing for the coming Kingdom."

Ethical Reflections on the Economic Crisis,
CCCCB, 1982

The Priority of Labour

"It is through the activity of work that people are able to exercise their creative spirit, realize their human dignity and participate in the development of their society. In this context, working people are to be viewed as the subjects not the objects of production in a given economy. Human labour should not therefore be treated as a commodity to be bought and sold in the market place. On the contrary, human labour must be the subject of production, taking precedence over both capital and technology in the production process. In effect, the basic rights of working people take priority over the maximization of profits and the accumulation of machines in an economic order. This is the priority of labour principle."

Ethical Reflections on Canada's Socio-Economic Order,
CCCCB, 1983

Subsidiarity

The goals of an organization are achieved when the individual members are able to exercise their responsibility in areas for which they are competent, and are supported in their efforts by the organization.

see *Quadragesimo Anno*, 1931

The Preferential Option for the Poor

“The needs and rights of the poor, the afflicted, the marginalized and the oppressed are given special attention in God’s plan for creation.... This has become known as ‘the preferential option for the poor’ in the scriptures. In a given economic order, the needs of the poor take priority over the wants of the rich. This does not mean simply more handouts for the poor. It calls for an equitable redistribution of wealth and power among peoples and regions.”

Ethical Reflections on Canada’s Socio-Economic Order,
CCCB, 1983

Solidarity

“For our part, we encourage all members of the Catholic community to follow the Church’s social teachings on human work by becoming actively involved in supporting and revitalizing the contributions of the labour movement along these lines. This calls for new forms of solidarity. In particular, we propose... :

d) that the church institutions and agencies undertake positive initiatives to re-examine their employment policies and practices in the light of the Gospel and the Church’s social teaching on workers’ rights and labour unions.”

Supporting Labour Unions: A Christian Responsibility,
CCCB, 1986

* * *

These eight themes or principles provide a screen for viewing particular issues and questions in the workplace. While official Christian social teaching may not supply ready-made answers to all situations, it does provide direction for clarifying values and rights that are to be respected.

3. Values to Guide the Employer-Staff Relationship

Each staff member in a health care organization has been actively recruited, selected and trained for work in the organization. As such, the employment relationship carries with it a mutual responsibility; the responsibility of the staff member to contribute through his or her work according to the mission of the organization, and of the employer to recognize that each staff person makes an important contribution to the healing ministry and has fundamental rights.

Almost all health care organizations in Canada are facing decisions associated with restructuring. If these challenges are to be met in the context of Catholic health care's mission and values it is essential that organizations plan today for these eventualities.

What follows is a list of values to consider in seeking to ensure that justice in the workplace remains a fundamental goal when making restructuring decisions. These values are interrelated and should not be treated in isolation from each other. Taken together they express a unified justice perspective.

VALUES

1. **Respect** — The rights and needs of the staff are to be recognized in the structures, policies and procedures of the organization. Staff are to demonstrate respect for those who work in the organization and for the dignity of all work.
2. **Concern** for the overall well-being of each person; attentiveness and sensitivity to the personal circumstances of everyone in the organization.
3. **Creativity** — the courage and willingness to try new management approaches, to develop a new attitude toward working with staff, and to search out new ways of resolving organizational problems.
4. **The Common Good** — When restructuring, accountability is due not only to the organization but to the broader community, “the public good,” as well.
5. **Stewardship** — The church’s social teachings about stewardship require both individuals and institutions to recognize that public goods, services and assets exist for the good of society as a whole. Social resources such as health care are to be shared and respected by everyone. It is through the appropriate use of these resources that we are co-creators with God.

6. **Shared Decision-Making** — Decision-making is a shared employer-staff responsibility. This includes openness, communication, and an empathetic stance when dealing with staff. On the part of staff it means taking the responsibility to initiate and to share from their experience and perspective. Efforts should be made to ensure meaningful participation by staff in the decision-making process.
7. **Justice** — Justice must be foremost in the minds of everyone within the organization when change occurs. Everyone should strive to have a sense of fairness when making decisions and to respect the uniqueness of each situation and individual.
8. **Adaptability and Flexibility** — Accepting the change process means a willingness to adapt to unexpected needs and situations.
9. **Empowerment** — As a value, empowerment calls the organization to provide opportunities for education and self-improvement. It also calls for recognition of the importance of staff participation and of the need to foster responsibility among staff to seek ways to improve their work environment.

4. Challenges for Health Care Leaders

Clare, the administrator introduced in the opening pages of the text, is struggling with the new realities facing health care organizations. Well aware of the anxieties of staff members such as nurse Sharon Smith, and committed to the Church's social teaching, Clare is faced with the challenge of exercising her leadership role in the organization she serves.

Health care organizations, long thought to provide job security, are no longer exempt from the pressures that can lead to layoffs. As a result, the relationship between employers and their staff is being fundamentally changed. It is a situation that calls everyone in the organization to recognize that what was done in the past won't necessarily work in the future. It means creating new employer-staff relationships.

What follows is a description of principles that could help shape this new relationship and guide Catholic health care organizations in their approach to restructuring.

Creativity

- Leaders can support and empower staff by developing appropriate policy and participatory decision-making throughout the whole organization. The traditional hierarchical approach to management will not work.
- Leadership must foster the creation of a shared vision within the organization during this time of change.
- Leadership can facilitate a milieu of creativity to identify ideas and actions that will meet the goals of the organization. Recognize that responsible risk taking is needed for creativity and improvement.
- Leaders must demonstrate by virtue of their actions, their integrity and commitment to the fundamental values the organization professes. Applying policies consistently throughout the organization is essential.

Clearly Defined Values and Goals

- Decisions must be made on the basis of clearly identified values and goals.
- In restructuring, values and actions need to be continuously reviewed to ensure consistency. Both the structures and behaviour within the organization must reflect the basic values.

Recognition that the Organization is the People In It

- A respectful attitude toward staff is required — staff are not to be treated as a means.
- The needs of persons receiving care, and of staff, require priority consideration during restructuring.
- Human resources are the primary resource within the organization — they are a sacred trust. Investment in this resource is required. Support the development of staff by providing fair and honest feedback and development plans, and by striving to find opportunities for new learning and skill advancement.
- Examine the barriers that cause individual staff members or groups to be excluded. Promote equality of opportunity; oppose discrimination, prejudice, or stereotyping.
- Encourage staff involvement in decision-making. Meaningful participation, shared decision-making and meaningful accountability are essential.

Open, Honest, On-going Communication

- Open communication with staff is required. Provide information to staff at the earliest possible moment and throughout the restructuring process.

Collaboration with Unions

- Everyone who works in the organization is there for a common purpose; the promotion of the dignity and health of those receiving care and of everyone in the organization. Structures within the organization and the relationships with staff, therefore, must be directed toward this common purpose.
- Managers and unions must identify common values and goals, and work together in a non-confrontational manner for the betterment of the organization and of the individual staff members. Managers must take a leadership role in working with unions to establish common goals.
- Such collaboration requires a determination to find areas of common rather than divergent interest.

Part II

Suggestions for Addressing Issues Related to Restructuring

Practical suggestions...

The following suggestions represent a human resources perspective based upon the social teachings of the Church and the values espoused by Catholic health care. It is hoped that they will serve both to develop a new approach to leadership as addressed in the previous chapter, and to reduce the adverse impact of restructuring on the lives of staff.

1. Human Resources Planning

- As organizations that take a broad and holistic view of what constitutes a healthy society, the importance of economic and social security for the health and well-being of staff cannot be overemphasized. Access to employment that provides a just income and that enhances a sense of self worth and dignity is key to this security.
- Hold regular staff meetings which invite open communication and feedback.
- Develop ongoing, strong working relationships between unions and management.
- When training and/or cross training occurs, maintain standards of care.

- Layoffs are not an excuse for termination of staff who have not performed well or who have presented problems; these problems should be dealt with in other, appropriate ways.
- Creatively explore other alternatives before considering such actions as contracting out or layoffs.
- Once a decision to restructure has been made, seek assistance from outside the organization, e.g. Human Resources Development Canada (HRDC) offers a program entitled Industrial Adjustment Services (I.A.S.).

2. Contracting Out

In response to the erosion of the funding base for public and social services, many hospitals and homes have looked to a variety of strategies in order to maintain low-cost, high quality services. These strategies include bed closures, the rationalization of services, contracting out of certain services, and layoffs.

As regards contracting out, laundry and inventory management services have tended to be among the first services targeted. Today, however, other support services, and even some patient-related services, are being considered as candidates for partial or total contracting out.

For the purposes of this discussion, contracting out is defined as the full geographic outsourcing of services that are currently being provided in-house and for which the basic capability lies within the organization.

Contracting Out

From a business perspective there may be very good, value based, reasons for considering contracting out — considerations related to cost control, patient-focused care, productivity, and quality of services or products.

The drawbacks of contracting out, however, should not be underestimated. These include: the loss of control over the way work is done; loss of in-house skills; increased insecurity among staff; potential patient/resident alienation as work is performed by people who do not necessarily share in the mission of the organization, and loss of unique identity within the organization.

Contracting out must be measured, first and foremost, against the values and mission of the organization. As a starting point, the weight of Catholic social teaching is against the contracting out of work. The Church's teaching concerning work and the dignity of the person emphasizes the primacy of the human person in the production process. Contracting out raises important ethical questions because the activity (i.e. the "job" to be done), and not the person, can become the central focus of endeavours.

Also important is the impact of contracting out on the organization's commitment as a "community" of care givers. It is characteristic of work that it first and foremost unites people: it has the power to build community. The work is to unite people in a certain understanding that values the contribution of each staff person. Contracting out presents a challenge to this commitment to foster a community of care in that it tends to view staff in certain areas or disciplines as a means to some other good.

Key questions to consider:

- What is the organization's philosophy of work and of community? Does the rationale for contracting out conform to this philosophy?
- Given that Catholic social teaching articulates a basic tenet centered around the value of work in establishing a community with shared goals, what is the "good" that is sought through contracting out?
- Are the issues related to contracting out the same or different in a health care organization as opposed to a for-profit business?
- If a decision is made to contract out — would it be possible to find an outside agency with a mission statement and values which would be consistent with the organization's mission and values?
- Would contracting out lessen the organization's capacity to maintain and promote its values?
- How would the organization maintain its distinctive culture if employees in reality are being hired and managed by an outside agency?
- What message is being given to staff in terms of being valued members of the community? What will happen to the quality of relationships if some belong to a new entity?
- What would be the effect on productivity, job satisfaction, and staff morale? Can the rights and dignity of each worker be ensured if contracting out occurs?

3. Layoffs

SUGGESTIONS FOR REDUCING THE LIKELIHOOD OF LAYOFFS

Because of the impact of job loss on the dignity and self-worth of the person and upon the quality of the service rendered to the patient/resident, the permanent reduction of work force through layoffs should be a last resort and should be implemented only after less drastic measures have been considered. The following considerations are offered in this regard.

- Consider developing a long range strategic plan which incorporates the organization's goals and objectives, human resources and projected plans for job planning and availability.
- Communicate the plan to employees so they may anticipate the organization's intentions with respect to its work force and jobs.
- Organize a forum for employee and medical staff input.
- Consider the use of attrition for reducing positions over an extended time period.
- Consider re-engineering jobs, job retraining, cross training and similar measures which enable current employees to carry out related job functions, increase employee versatility, and reduce the need for filling vacant positions.
- Consider developing alternative health related services which could serve to provide alternative jobs for displaced workers.
- Encourage job sharing on a voluntary basis.

SUGGESTIONS FOR THE CONDUCT OF A LAYOFF OR REDUCTION IN WORK FORCE

The elimination of an employee job should be viewed as a serious matter which can have profound implications for work relationships within the organization. The matter requires thought and discussion about the preservation of the employee job and relationship within the facility. The matter also requires that extensive efforts be made to accurately and effectively communicate with all employees concerning the decision and reasons for the implementation of layoffs.

Additionally, each organization should acknowledge its responsibility to assist affected employees to retrain for or locate alternate employment.

- Consider developing a communications plan to provide important and essential information to all stakeholders: designate key spokespersons, involve medical staff, use understandable language, give relevant information including reasons for layoffs, train supervisory staff to inform employees, address rumours as quickly as possible.
- Consider early exit options, i.e. voluntary termination with appropriate severance benefits, early retirement incentives.
- Implement layoffs on a just and equitable basis for both management and non-management positions.
- Inform employees as far in advance as possible of the organization's intention to reduce its work force.

- Consider allowing affected employees to continue working until the date their job is eliminated.
- Apply to Employment Insurance (EI) to participate in the Work Force Reduction Program.
- Offer affected employees personal, financial and employment counselling, temporary health benefit support, severance benefits, a final performance appraisal, a letter stating the position has been terminated and outlining the reasons for the organization's actions.
- Adhere to contractual agreements and laws governing layoffs.
- Avoid actions such as non-essential capital expenditures or purchases which give an economic double message to employees.
- Consider the availability of job opportunities in other health care organizations for displaced employees, where appropriate.

SUGGESTIONS FOR ACTION FOLLOWING A LAYOFF OR REDUCTION IN WORK FORCE

There is well documented evidence suggesting that those employees not directly affected by a layoff are, nonetheless, affected indirectly by the action. The remaining employees may now be required to take on additional responsibilities or workload, or find their routine or hours of work changed. It is not uncommon that employees feel guilty about remaining in their jobs and experience grief at the loss of their co-workers. These factors must be seriously considered when planning, communicating and implementing a layoff or reduction in work force.

- Consider implementing a program to provide support for employees not directly affected by the layoff, e.g. personal counselling, group sessions, rituals.
- Maintain long-term contact with affected employees so as to provide information about job openings which may arise and to assess the need for ongoing out-placement counselling and support.
- Complete a formal review and evaluation of the layoff process after the fact to determine how the process could be improved and the policy restructured.

Conclusion

Policies of fiscal restraint and health care restructuring are having a significant impact on employer-staff relationships within health care organizations. This situation calls for careful consideration of these developments in light of the organization's core values.

Increasingly, managers and other decision-makers are recognizing the ethical dimensions of management practices and decisions. An important part of ethically responsible management is maintaining a commitment to and a focus on justice, human dignity, and other fundamental values in the day-to-day administration of an organization.

The issues of downsizing and contracting out merit serious reflection and a major investment of time and energy because of the significant impact such decisions can have on the lives of many human beings and the broader community. How these issues are handled says a lot about the nature of an organization and its leadership.

It is hoped that the reflections, values and guidelines presented in this document will encourage dialogue, communication and shared decision-making on human resources planning and ensure actions that reflect a commitment to the values which underlie Catholic health care ministry.

