PRODUCTIVITY LOSSES DUE TO SKILLS MISMATCH AND UNDERUSE OF SKILLS: OECD Approach to Skills Assessment

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OVERVIEW

1. Health sector labour productivity
2. Skills mismatch and skills use: evidence of productivity losses
3. How can we measure skills and how can we relate them to health system performance?
Health sector labour has low productivity ("Baumol cost disease model") – OECD countries

Past macroeconomic analyses using data for OECD countries suggested:

- Health sector is labour intensive
- Wages are rising faster than productivity
- Hence, labour productivity is relatively low

- Caveat: there are issues with “productivity” measures, e.g., quality & intensity of care may not be adequately reflected in the model.
- Does this relationship hold for non-OECD countries?
- There are other ways to identify opportunities to reduce productivity losses?
Measuring health workforce skills mismatch (OECD countries)

**Challenge:**
Growing evidence of skills mismatch in the health service sector, but with limited evidence on the causes and solutions

**Issue:**
Preparing health workers capable of responding to the diverse and changing needs and demands of integrated & person-centred care

**Actions needed**
- Develop standardized health workforce skills assessment tools
- Support countries improve data and policy analysis capacities

**Skills mismatch of physicians, nurses and all workers**
*(Multinomial logistic regression, odds ratios)*

- Physicians: 1.00
- Nurses: 1.00
- All workers: 1.00

**Skills mismatch among nurses by level of education**
*(Multinomial logistic regression, odds ratios)*

- Lower than bachelor's degree: 1.00, 1.08, 1.00
- Bachelor or equivalent: 1.98, 1.14, 1.00
- Master or equivalent: 0.58, 0.48, 1.00

Source: PIAAC 2011-2012
Assessing skills use by categories of workers

Reported skills use by physicians, nurses and other occupations

Source: OECD PIAAC 2011/2012
Potential performance issues:

- Ineffective teamwork
- Ineffective use of technology
- Poor communication with patients
- Low quality of care and poor patient outcome
- Using high wage workers for routine work/low level work
Skills required for health workforce
(OECD Skills assessment feasibility study, forthcoming)

1. Working in technically complex environment

2. Developing team support & resilience

3. Managing complex personal relations
Approaches to skills assessment at individual and organizational levels

Additional assessments at team and organisational levels

- Team Assessment Module
- Manager Module
- Hospital/Primary Care Survey
- Patient Survey

Individual health worker

Direct Assessment
- Adaptive Problem Solving
- ICT skills

Self-Reporting
- Skills Assessment
- Skills Use
- Attitude
Identifying Priority Questions for Policy Intervention

- What impact do skills mismatch, skills gap and poor use of skills have on productivity of healthcare?
- Can we link with hospital performance measures and patient-reported outcomes measures (PROMs)?
- Are we addressing the issue from the perspective of the patient, individual worker, manager/employer or payer?
Understanding the context for skills assessment and skills use

• What is the cause of skills mismatch and what are the appropriate policy interventions?
  – Inadequate education and training?
  – Ineffective organization?
  – Inappropriate incentives due to payment system?
  – Restrictions due to regulations?
THANK YOU!

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