In the late 1990s, a team of management scholars led by Harvard Business School professor Len Schlesinger came up with an important insight: Across a range of service industries, a single measurement of employees' perceptions of their jobs can predict their performance.

Called “employee capability,” the measurement gauges whether service workers feel they have the latitude, resources and support they need to effectively serve their customers.

Since Schlesinger's research was first published, boosting employees' self-perceived capability has become a focus of leading service organizations and has been linked to greater customer loyalty, lower employee turnover, and higher shareholder returns.

Healthcare is one of the nation's largest service industries, but the concept of capability has not yet been applied to physicians in a healthcare setting. Evidence drawn from athenahealth data, however, suggests capability might be as influential in explaining physician performance as it is in other service industries.

Indeed, results from our research are so promising that we believe capability may become a foundational concept for defining and designing high-performing healthcare organizations.

The power of capability

The term “capability,” as Schlesinger uses it, has a specific definition: It refers to an employee's self-assessment of his or her ability to perform the job at hand. In this context, capability doesn't refer to technical skill or ability — rather, it focuses on resources and support.

Schlesinger found that workers in service industries consider themselves capable if their jobs include the following elements: the latitude to deliver results; excellent training; well-engineered support systems; and recognition and rewards for doing a job well.

Our research team has been studying physician capability for the past year, beginning with a survey we administered to 1,029 doctors on the athenahealth network. We rated physicians on their self-perceived capability, based on their level of agreement with two statements:
• I have the latitude I need to provide high quality care to my patients.

• I have the tools and resources I need to properly care for my patients.

When we correlated capability with other survey results, we found that the concept of capability provides valuable guidance for addressing some of the most pressing challenges healthcare leaders face: How can we reduce turnover and the associated costs? How can we improve physician engagement and reduce burnout? How can we improve productivity without alienating doctors?

Defining capability in healthcare

It’s important to be clear about the definition of capability in a healthcare setting. Just as capability doesn’t refer to technical skill in the rest of the service industry, physician capability does not refer to a doctor’s clinical competence, which is assumed.

Rather, capability gets at whether physicians feel they can provide the best possible care to their patients with minimal hassle. Doctors who do not meet the technical criteria of capability often feel that excess paperwork, weak staff, and inefficient operations make it more difficult for them to provide optimal care.

The power of capability as an umbrella concept is evident on multiple dimensions. Compared with their colleagues who did not meet the criteria for self-assessed capability, physicians who self-identified as capable are:

• 17 percent more productive as measured by RVUs worked per day

• 76 percent less likely to say they plan to leave their organization within three years

• 61 percent less likely to report significant symptoms of burnout

• Self-perceived physician capability also correlates with financial performance, based on metrics such as productivity and growth.

In the most financially successful provider groups in the athenahealth network, 60 percent of physicians met the criteria for capability, compared with 43 percent for physicians in the lowest performing groups.

In short, some of the most critical drivers of medical group performance — productivity, physician retention, job sustainability, and overall financial success — are extremely sensitive to capability.

What does this mean for healthcare leaders? We believe they would benefit from monitoring self-perceived capability as a key performance metric. And we believe they should establish a culture that makes capability a priority and intentionally design a working environment in which capable physicians can thrive.

Develop strong clinical teams

Physicians are willing to work hard on behalf of their patients. So the answer to burnout and
dissatisfaction is not solely a matter of reducing work hours. It’s making sure that the long hours that physicians work are spent on their role as healers — and that they have the resources to do their jobs as effectively as possible.

Our research finds that physicians have a more positive experience if they work in groups that have a team orientation. Doctors in our survey who agreed with the statement “Our practice values teamwork more than individual performance” were more than three times more likely to self-assess as capable and five times more engaged — as defined by their willingness to go above and beyond in their jobs and to recommend and stay with their organizations.

Physicians who agreed with the teamwork statement were also 75 percent less likely to say they experience significant signs of burnout.

Groups with high-functioning clinical teams typically empower non-physician clinicians to take on a wider range of responsibilities, allowing physicians to focus on complex diagnoses and patient communication. This in turn is likely to make physicians feel more capable and more satisfied with their work.

Therefore, anything leaders can do to foster teamwork — establishing stable staffing patterns, ensuring that nurses, physicians, and medical assistants are working to the top of their licenses, and communicating expectations about collaboration — is likely to pay off in higher capability.

Focus leadership on cultivating capability

When we looked closely at what predicted a physician’s sense of capability, we found that leadership matters a great deal.

We asked physicians to agree or disagree with the statement “The leaders of my organization are the best people to lead us over the next five to 10 years.” Almost 80 percent of physicians who assessed themselves as capable gave their leadership teams the highest rating. If a doctor viewed his or her leadership negatively, the figure dropped below 20 percent.

It’s worth noting here that every increment of leadership strength counts. The proportion of physicians meeting the criteria for high capability doubles as their rating of their leadership increases from 4 to 6 on a six-point scale.

In previous research, we have identified tactics that are common among leaders in high-performing medical groups, from articulating a compelling organizational mission to including physician voices in key decision-making and setting defined structures for accountability.

Investing in personal leadership skills — and fostering leadership capability at all levels — needs to be a top priority for healthcare organizations.
A framework to focus on

Our research into capability in healthcare is ongoing. But based on how our findings have resonated so far with physicians and health system leaders, we believe capability is a powerful framework for understanding physicians’ work satisfaction and performance.

It’s a different way to think about what makes physicians thrive. But at a time of transformative change and unprecedented need, we should be thinking boldly and deliberately about supporting physicians — and empowering them to deliver the best possible care.

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Notes on methodology:

To determine self-assessment of capability, we asked physicians two questions:

- I have the latitude I need to provide high quality care to my patients; and
- I have the tools and resources I need to properly care for my patients.

Physicians answered on a six-point scale, with 6 indicating strong agreement and 1 indicating strong disagreement. For a physician to be considered capable, he or she had to answer a “5” or a “6” to both questions.

We then linked self-reported capability to other survey questions, addressing such issues as burnout, leadership, and organizational structure. Finally, we linked capability to performance measures such as productivity, which we were able to measure by tracking practice patterns on athenahealth’s cloud-based network.