



How healthcare can avoid a United Airlines fiasco

By Len Schlesinger | April 27, 2017

As consumers, we have all encountered staff who are unable to serve customers in the manner they (or we!) would like.

One only needs to look at the horrific incident on a United Airlines flight in April – in which a bloodied passenger was dragged off the plane to make room for United staff – for a vivid illustration of what can go wrong when employees become disempowered to make good decisions at the point of service, and protocols are designed to help the organization but not the customer.

In the early 1990s, my research was the first to show that the primary predictor of excellent customer service is whether front-line employees and managers feel that they have the resources and support needed to serve their customers.

“Service capability,” as I defined this phenomenon, has since become an accepted management tenet for organizations seeking to differentiate themselves on the basis of customer satisfaction.

U.S. healthcare has been described as the “world’s largest service industry,” yet few healthcare leaders have discovered the power of “service capability”

to increase the satisfaction of physicians, staff, and patients alike. Given the enormous importance of each of those groups to achieving positive healthcare outcomes, I believe that organizations that put service capability at the core of their organizational design are likely to see substantial increases in clinical and financial performance.



Indeed, I am undertaking a multistage research project with athenahealth to test this hypothesis, and the early results are encouraging. It’s time for healthcare to unlock the power of this well-accepted management idea.

Defining “capability” and “capability cycles”

In organizational scholarship, the term “capability” has a specific definition: It refers to an employee’s

perception of his or her ability to perform the job at hand. In service industries, perceived capability is particularly powerful because of the existence of “capability cycles” – the reinforcing links between capability and salutatory outcomes.

Research from a variety of service industries shows that service capability leads to customer satisfaction, which in turn results in customer loyalty, which in turn results in profitability. (In many service industries, a 5 percent increase in customer loyalty can translate into a 25 percent increase in profits.) Satisfied customers also reinforce employees’ confidence in their service capability – a virtuous cycle.

As just one example of how virtuous the cycle can be, consider Southwest Airlines. In the 1990s, Southwest regularly achieved 40 percent more pilot and aircraft utilization than its competitors – and in general, its employees were highly engaged and satisfied. The main driver of this extraordinary employee engagement was employees’ knowledge that the airline served its passengers better than anyone else.

When I interviewed Southwest’s management, I found that leaders spent little time setting profit goals or focusing on market share. Instead, they put front-line workers and customers at the center of management concerns. As then-CEO Herb Kelleher said, “Anyone who looks at things solely in terms of factors that can be easily quantified is missing the heart of the business, which is people.”

Designing for capability

Great service leaders – like Kelleher at Southwest – understand that capability must be intentionally designed into the work environment. Specifically, capability comprises several components:

- the latitude to deliver results to customers
- a clear expression of limits within which frontline employees are permitted to act
- excellent training to perform the job
- well-engineered support systems, such as service facilities, technology, and information systems

- recognition and rewards for doing jobs well, determined at least in part by the level of customer satisfaction achieved.

In the late 1980s, for example, Taco Bell recognized that its store managers needed to spend more time focused on training employees and selling tacos, so it developed a tool to remove general paperwork from the general manager’s job. Called TACO (for “Total Automation of Company Operations”), the tool reduced manager workload by an average of 16 hours a week by computerizing staff scheduling, food ordering, and so on.

Obviously, enabling a 16-hour weekly reduction in paperwork would increase a manager’s perception of his or her service capability. And sure enough, Taco Bell saw dramatically lower turnover and improved quality of restaurant service ratings after the change.

In a similar way, I believe that in healthcare, an intentional job design focused on physician capability could help combat chronically low levels of engagement among U.S. doctors. Many healthcare organizations are acutely concerned about the state and sustainability of the physician workforce. Yet surveys have shown that it’s not the day-to-day clinical work that burns doctors out – generally, they love serving patients. Instead, it’s often regulatory work and bureaucratic overlay that is crushing physicians’ enthusiasm.

Healthcare managers can address these concerns by, for example, intentionally designing clinical staff’s jobs to embed documentation into their workflows, taking that task out of the doctor’s remit. Joel Feinman, president of Valley Medical Group, a 100-provider independent physician group in western Massachusetts, recently told me about his organization’s efforts to spread the work of record keeping and quality reporting – and ensure that all necessary information is available when doctor and patient are face-to-face.

“The idea is to stretch the visit so it doesn’t just happen in those 15 minutes with the doctor,” Feinman says. “It starts a week before, when we’re reviewing the record. It’s a few days before, when

we get their lab results, and it happens after the exam when the patient gets a care summary.”

When physicians feel they are supported to focus on the clinical encounter – that is, when they have the *capability* to serve their customers – their engagement and satisfaction levels will increase.

The job of the patient

In recent years, service leaders have also begun to think of capability not just in terms of its employees, but in terms of customers, too, by bringing the principle of intentional design to its customers’ “unpaid work.” Think of the way Chipotle makes it easy for customers to recycle after they bus their own trays, or how Amazon makes it relatively hassle-free for customers to return items by mail.

I believe there is similar potential to think of job design for patients. Patients take on enormous unpaid work for their healthcare – following up on referrals to specialists, filling and managing medications, complying with physical therapy and other regimes, and so on. Leading healthcare organizations will begin to think more carefully about whether patients have the *capability* to fulfill these jobs, given how critical they are to determining health outcomes.

Technology will be the key enabler of patients’ success, providing the information, visibility, and feedback they need to do their jobs. For example, smart scheduling systems and patient portals can help patients access care on demand; reminders via text and other modes help patients arrive on time and prepared.

As the industry moves toward a value-based reimbursement model, such intentional design for patients will increasingly determine financial as well as patient health.

Imagine how different that United Airlines flight might have gone had employees felt empowered to make good decisions in real time; had they been steeped in a value system that placed the customer’s needs above all else; had they been supported by technology and tools to seamlessly shift their plans when circumstances changed.

Now imagine how those same capabilities might transform the healthcare encounter into something that makes it easier for physicians to care for patients – and for patients to care for themselves.

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