

# PREFACE

This book is the fifth edition of *Human Resources in Healthcare: Managing for Success*. The first edition was published in 2001, when globalization issues were brought to the forefront in the United States. This fifth edition comes in 2021 at the beginning of an unprecedented new era. Healthcare systems have had to respond to a still-raging pandemic without a coordinated national response or public health guidelines and with inadequate personal protective equipment. This additional stress on our healthcare system pushed through widespread adoption of telehealth and reignited interest in labor organizing. However, at the same time, the dedicated healthcare professionals who responded heroically were put under immense strain. Even before all this, we were compelled to add a new chapter on “Burnout, Well-Being, and Workplace Vitality” to this edition.

As we worked on this edition, the national political environment was characterized by unprecedented polarization and outright hatred. America still has not reckoned with its ignominious history of separate and unequal treatment. Events in Atlanta, Charlottesville, Kenosha, Minnesota, Philadelphia, and Louisville (to name just a few) have amplified calls for racial and social justice. Socially, the demographics of the US population came to encompass increasing diversity in both numbers and types, a fact viewed by many people as a validation of the American dream, by some as merely an illusion, and by others as a threat to American identity. This increasing diversity of the population has reinforced the need for cultural responsiveness, inclusion, and care systems that actively respond to the entrenched health inequities laid bare by the COVID-19 mortality and morbidity statistics. Thus, we completely revamped the chapter on “Diversity, Inclusion, and Belonging” for this edition.

Healthcare, of course, has not stood still since 2001. It has undergone tremendous changes, many of which have been affected by broader economic, political, regulatory, social, and technological factors. Economic constraints and the unconstrained increase in healthcare costs have fed into demands for “bending the cost curve,” leading to changes in incentive structures in the US healthcare system and its payment mechanisms. Growing consumerism means that patients now research their healthcare options, seek greater transparency in healthcare quality and costs, and demand high-quality

customer service. Technologically, the changes since 2001 have been monumental, leading to extraordinary progress in communication, medicine, and countless other areas of life but also posing significant threats and presenting incredible opportunities for healthcare delivery efficiency.

Healthcare systems continue to be under pressure to meet four aims: improving population health, enhancing the care experience, containing healthcare costs, and protecting workforce well-being. Attention to quality has become increasingly acute as incentive structures focus on rewarding quality and, in effect, have begun to place sanctions on organizations—justifiably, in some cases—for substandard care. Quality improvement processes are a mainstay of organizations, requiring the active engagement and participation of employees, and high-performing teams. Moreover, the healthcare workforce is under increasing pressure. Managers are being asked to manage and retain a workforce that is, in many cases, burned out and mobile. In the healthcare workforce, generational diversity has created the need to consider reward and motivational structures that are generationally appropriate. In contrast to earlier generations, millennials and members of Generation Z tend to have a high need for personal development but only limited attachment to the organization. Further, jobs are evolving with the healthcare system, creating demand for new competencies. Effective job design, training, and performance management mechanisms need to be well developed and executed effectively to manage retention. This led to a new separate chapter on “Retention” in this edition.

Despite the changes of the past 20 years, people continue to play a critical and central role in providing health services. While automation and other technological advances have allowed other industries to downsize, technological changes in the healthcare industry generate the need for trained and well-managed health professionals and create new roles and occupations.

We could go on listing numerous changes in the healthcare system since the fourth edition. Instead, we will describe the current edition of *Human Resources in Healthcare* and how each chapter in this edition addresses key realities and changes in healthcare. Undoubtedly, we will have overlooked some changes, and future changes (after the COVID-19 pandemic, in particular) are difficult to predict with confidence. Therefore, we offer this volume under the assumption that readers consider this book’s content in the spirit of continuous lifetime learning. Change is a given. But recognizing change and adapting effectively do not necessarily follow. In the words of Albert Einstein, “As far as the laws of mathematics refer to reality, they are not certain; and as far as they are certain, they do not refer to reality.” We could say the same about healthcare and healthcare management.

Effective human resources management (HRM) is a product of at least three elements: cognitive knowledge, affective competencies, and experience.

This book addresses cognitive knowledge domains, including the idea of organizational strategy and HRM; the broader environment within which HRM occurs, including the legal environment and healthcare workforce labor markets; and the multiple processes and systems involved in managing the healthcare workforce. For this knowledge (and, for that matter, any management knowledge) to be applied effectively, managers need to possess various effective characteristics, including competencies in such areas as emotional intelligence, conflict management, and problem-solving. Like virtually every other aspect of life, mastery of HRM requires experience, practice, and learning from successes and failures through self-insight, reflection, and mentoring. The topics in this book are a starting point for developing mastery in working effectively with people in healthcare organizations.

In chapter 1, Carla Jackie Sampson and Myron D. Fottler establish the framework for this text. The basic premise of strategic HRM is that HR practices and processes must support the organization's mission and strategies. This chapter has been updated to include employee motivation and commitment as a critical outcome of strategic HRM and a mediator for organizational outcomes. This chapter also addresses the role of technology, including predictive analytics in measuring outcomes and informing strategic decisions. The changing role of HR, including the chief human resources officer, is also discussed.

All HR managers must understand the legal and regulatory boundaries of HR practices. Drake Maynard provides these guidelines with an outline of the many laws, regulations, and court decisions affecting HRM in chapter 2. The areas covered include the Family and Medical Leave Act, the Americans with Disabilities Act as amended in 2008, the Fair Labor Standards Act, and, notably, Title VII of the Civil Rights Act. Key court decisions are also discussed. Highlighted in this edition is the landmark 2020 US Supreme Court ruling that essentially held that sexual preference is a protected class under Title VII, making employment discrimination against the LGBTQ population illegal under federal law.

The role of health professionals is ever-evolving with technology, new health delivery sites and required competencies. In chapter 3, Kenneth R. White, Patrick D. Shay, and Dolores G. Clement provide essential information on the distinction between professions and occupations, the process of becoming a professional, licensure and regulation, scope of practice, and the changing role of professionals. They also provide background information on factors associated with supply and demand for health professionals, including changes in technology, changes in payment mechanisms, and the increasing diversity of the settings in which healthcare services are provided. The chapter also includes a discussion of innovation and entrepreneurship as healthcare professionals increasingly disrupt healthcare delivery.

New to the previous edition, John C. Hyde II updates his chapter on the credentialing of healthcare providers in chapter 4. Physicians have a complex relationship with many healthcare organizations yet play a central role in determining the quality of health services. Hyde discusses the legal framework and key court cases related to credentialing and privileging. He details Joint Commission requirements to ensure high-quality and safe patient care and describes the processes that organizations should follow in ensuring a competent workforce. Hyde acknowledges the uncertainties and risks in credentialing and the difficulties faced.

A new chapter 5 from Luzita Francis, Carla Jackie Sampson, and Rupert M. Evans Sr. discusses the internal and external dimensions of diversity as the result of inclusion and belonging. This chapter moves away from the compliance approach to diversity efforts and artfully describes the business case and value of diversity in innovation. Taking a positive approach, they cite the potential for effectively managing diversity to positively affect patient and employee outcomes, reduce disparities, achieve competitive advantage and corporate social responsibility. The chapter also describes the role of systems and organizational culture in supporting or undermining diversity and inclusion efforts. Further, meaningful actions an organization or individual can take to identify, measure, evaluate, improve and support diversity, inclusion, and belonging in the workplace are included in this chapter, together with a tool for developing a diversity strategy. Two problem-based learning cases on aspects of diversity are included.

An employee's actual job is a central part of HRM. Sean A. Newman, Aon's senior vice president for operations, joins Myron D. Fottler in chapter 6 to explain how jobs continue to change in their competency requirements, how they are designed, and how they interact with other jobs in an organization. They discuss the potential impact of the COVID-19 pandemic and the suitability of candidates who have attained valuable skills through alternative routes for low-skilled positions, and whether the changes observed during the pandemic have staying power. They also discuss job design trends, including flexible job design, remote work, shorter shifts, and these job design impacts on retention and work-life balance. This edition also discusses the use of telehealth during the pandemic and the rise of the gig economy.

In chapter 7, Bruce J. Fried addresses the topics of recruitment and selection. In a rapidly changing healthcare system, finding and selecting the right people for the job is critical. This chapter includes expanded content and data related to applicant sourcing via social media, employee referrals, third-party websites and job boards, social and professional networks, third-party recruiters and staffing, and internal hires. There is a discussion of the use of artificial intelligence technologies to screen and evaluate applicants and additional material on the recruitment of passive job applicants (applicants

not currently looking to change jobs). He also addresses the controversial area of organizational fit and analyzes its role in the selection process.

Employee retention is of paramount importance in healthcare. In this new chapter, Donald Ross examines current retention and turnover issues faced by the healthcare industry and discusses the myriad reasons employees leave. Chapter 8 provides evidence to support best practices for improving employee retention. The chapter stresses the importance of cultural fit and investing in employee development through such strategies as coaching, career ladders, and succession planning.

Part of keeping people in the organization is working with them to continually improve their performance. In chapter 9, Bruce J. Fried and Lydia Johnson address the measurement of employee performance and the use of this information to help employees improve and grow. This process, known as *performance management*, also includes ensuring a work environment where people are respected and valued. This edition includes a discussion of periodic performance reviews and other alternatives to the traditional annual review, along with expanded material on goal-based performance evaluation. The authors also include more content and data on workplace and online bullying, as well as how to prevent it from occurring and how to respond once discovered.

Reward systems are central to employee motivation, satisfaction, and performance. Noting that people work for both intrinsic and extrinsic rewards, chapter 10 focuses on extrinsic rewards, namely compensation. In this chapter, Sean A. Newman, John Cashion, and Bruce J. Fried address the role of compensation within the organization's overall reward structure. They address the key topic of how jobs are valued in monetary terms and how objective job evaluation processes often need to be tempered by labor market considerations. They also discuss wage inflation resulting from competitive labor situations. In light of the current emphasis on individual and organization-wide pay for performance, they describe the strengths and drawbacks of different forms of incentive compensation. This edition includes expanded content on the complex issue of pay-for-performance for physicians and the still-unresolved question of whether this results in improved quality and other desirable outcomes.

Financial compensation is but one part of the total compensation that an employee receives. Employee benefits play a critical role in employees' decision to join an organization, their satisfaction, and their likelihood of staying with the organization. Dolores G. Clement and Melissa G. McGraw devote chapter 11 to the highly significant role of employee benefits, in terms of both the cost to the organization and the motivational potential of these benefits. They provide a road map of employee benefits ranging from mandatory benefits, to an array of voluntary benefits, including health

insurance, life insurance, and leave. Of particular importance is the attention to benefits plan design and how different employees value various benefits. There is an updated reference to the ongoing debate about the legality of health-based insurance premium differentials. Also included are updates to Internal Revenue Service regulations related to benefit programs and data from the US Bureau of Labor Statistics on the cost of benefits to employers. There is revised information on the structure of contributions to FICA and Medicare. Current references to data and regulations related to the Family and Medical Leave Act, Department of Labor, and the Social Security Administration, with online data regularly updated by government agencies are also included.

Among the many sectors of the economy, healthcare organizations and public-sector organizations hold the most significant potential for increased unionization. Laws and rules governing unionization in healthcare are somewhat different from those in other sectors. Donna Malvey summarizes the legislative framework and judicial rulings governing healthcare unionization, describes the evolving role of unions in healthcare, and outlines the unionization and labor relations process in healthcare organizations. Chapter 12 describes all phases of the labor relations process, from the union recognition phase through contract administration. The specific requirements and obligations of management and unions in healthcare organizations, based largely on the 1974 amendments to the National Labor Relations Act, are described. A discussion of the role of social media in union organizing and the implications of the COVID-19 pandemic for labor–management relations is included.

Among the most challenging tasks in the healthcare system is projecting health workforce needs and matching these needs with supply. While most of the chapters in this book approach workforce issues from an organizational perspective, Erin P. Fraher and Andy Knapton address workforce planning mostly from a broader macro policy perspective in chapter 13. They discuss and assess methods used to ensure that the United States, or, for that matter, any country or jurisdiction, has the needed workforce in place, now and into the future. They examine workforce planning, not in a vacuum, but cognizant of changes throughout the healthcare system that may affect workforce needs and new skill requirements. They address multiple related topics, including the distinction between “demand” and “need,” the nature of oversupply and shortages, and alternative methods of assessing the projected supply of and demand for health workers, as well as the persistent uncertainty in making accurate projections. The chapter also includes an organizational workforce planning tool.

Nursing is critical to the functioning of the healthcare system. In the hospital sector, nurses are the only professional group present 24 hours a day,

every day of the year. Nurses are highly skilled, indispensable, and central to patient care and quality. In chapter 14, Lindsay Thompson Munn, Cheryl B. Jones, and George H. Pink begin with a description of the types of nursing personnel, their education, competency requirements, and scope of practice. Understanding nursing roles is essential to understanding the critical factors involved in nurse staffing and deployment. They discuss the substance of nurses' work, staffing and alternative methods of measuring nursing workload, and issues such as the role of nurses in unionized and nonunionized settings, nurse–physician relationships, and stress and burnout. They also address the key influence that nurses have in value-based purchasing, being heavily involved, such as in care coordination and ensuring a patient- and caregiver-centered experience. The chapter includes an updated model of nursing work focused on physical, cognitive, and organizational roles, and expanded material on team-based care, and nursing workload related to key stakeholder groups. There is an update to methods of determining nurse staffing requirements. A new section on workplace violence with a particular focus on nurses and approaches to prevention is included, as well as new content on the multigenerational nursing workforce and telehealth.

Given incentive schemes that link reimbursement to quality indicators and the availability of information on quality to payers and consumers, quality and patient safety are hallmarks of healthcare organizations. Quality improvement is based on a synthesis of process analysis, measurement, and human creativity. In chapter 15, Bruce J. Fried provides a review of the quality improvement approach and summarizes its forms (e.g., Lean, Six Sigma). He purports that the human element, necessary to interpret data and devise creative and effective solutions to quality problems, demands greater attention. In this chapter, Fried identifies the HR requirements, such as the development of effective quality improvement teams, that are essential to apply quality improvement tools, interpret data, and develop effective and sustainable quality improvement changes. The chapter also includes the role of diversity and psychological trust in team effectiveness.

A timely addition to this widely adopted HR text is a chapter on “Burnout, Well-Being, and Workplace Vitality.” In chapter 16, Amanda Raffenaud and Tina Yeung address the critical challenge facing the clinical and administrative healthcare workforce: burnout. The chapter explores the causes and risk factors of stress and burnout, provider strain during the COVID-19 pandemic and provides potential remedial and preventive actions including a positive work environment.

Appendix A discusses HR metrics. Evaluation has become increasingly important in all aspects of organizational life, including the value to the organization of HR services. Appendix A provides background information on the need for and use of HR metrics, and offers examples of HR

metrics. Appendix B includes six problem-based learning (PBL) cases. PBL is a student-centered learning methodology requiring the student, along with team members, to research a complex problem and design an evidence-based and feasible solution to the issue. As described in Appendix B, student teams read the case problem and identify what they need to learn to respond to the problem. These learning objectives form the basis for independent research and eventual team member collaboration in constructing the case response. The PBL method has a motivational element in that students themselves define their learning needs. Substantively, this approach allows students to delve into specific HR issues in greater depth and use the most current research and writing on the topics presented in the cases.

*Carla Jackie Sampson and Bruce J. Fried*

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