

Instructor Resources Sample

This is a sample of the instructor materials for *Fundamentals of Human Resources in Healthcare*, Third Edition, by Carla Jackie Sampson, PhD, MBA, FACHE, and Bruce J. Fried, PhD.

The complete instructor materials include the following:

- PowerPoint slides
- Test bank
- Instructor's manual

This sample includes the materials for chapter 1.

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Chapter 1: Strategic Human Resources Management

Fundamentals of Human Resources
Third Edition

Learning Objectives

- Define strategic human resources management.
- Outline key human resources functions.
- Discuss the significance of strategic human resources management to present and future healthcare executives.
- Describe the organizational and human resources systems that affect organizational outcomes.
- Outline the need for a balance between positive employee and organizational outcomes.

Introduction

- Effective management requires healthcare executives to understand factors that influence the performance of employees
 - Includes traditional HRM activities and the environmental and other organizational aspects
- Human resources management (HRM): the process performed within or outside the organization and the informal management of employees performed by administrators

Definition and Significance of Strategic HRM

- Strategic human resources management (SHRM): process of formulating and executing HR policies and practices that produce employee competencies and behaviors required for organization to achieve strategic objectives
- HR managers must adopt a strategic perspective and recognize links between organizational and HR strategies
 - Organizations must determine requirements for positions, recruit and select qualified people, train and develop employees, evaluate job performance, and provide rewards to attract and retain top performers

A Strategic Perspective on HR

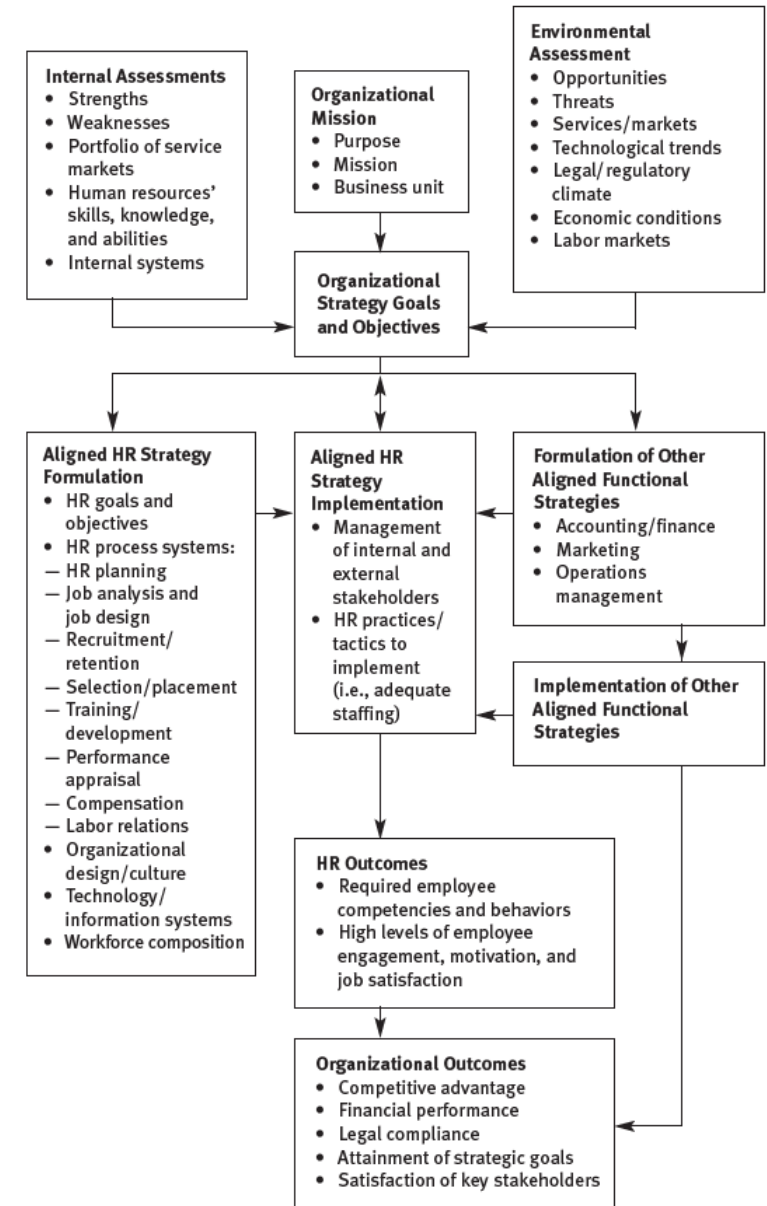
- Consider employees as human assets
- Develop appropriate policies and programs that increase value of assets to organization and marketplace
- Forward-thinking healthcare leaders recognize the critical role of HR in future performance and address these concerns
 - Short term: investments in staffing, employee development, and well-being
 - Long term: invest as asset and create pathways to build capacity for success

The SHRM Approach

- Begins with the organization's mission and includes
 - assessment of environment,
 - business strategy formulation,
 - HR specifications based on strategy,
 - comparison of current inventory with future strategic requirements,
 - development of strategy based on differences between current inventory and future requirements, and
 - implementation of HR practices to reinforce strategy and to attain competitive advantage

The SHRM Model

- An HCO is made up of systems that require constant interaction within the environment
- Characteristics, performance levels, and alignment in operating practices improve organizational and employee performance
 - Goals, objectives, process systems, culture, technology, and workforce align with one another (internal alignment) and with various levels of organizational strategies (external alignment)



Organizational Mission and Corporate Strategy

- Organization's purpose is its basic reason for existence
- Mission specifies how organization intends to manage itself to fulfill purpose
- First step in formulating strategy is analyzing strengths, weaknesses, opportunities, and threats (SWOT analysis)
- Most organizations formulate strategy at three basic levels:
corporate, business, and functional

HR Strategy Formulation and Implementation

- Strategy implementation requires processes, goal setting, and leadership
 - Staffing strategy: set of activities used to determine future HR needs, recruit qualified applicants, and select best of those applicants as new employees
 - Developmental strategy: set of methods that facilitate enhancement of organization's human resources' quality
 - Compensation strategy: set of rewards that organizations provide to staff in exchange for performance of various organizational tasks and jobs
- Workforce demographics and technology affect formulation and implementation

Measuring the HR Function

- HR metrics: measures of HR outcomes and performance
 - Human capital metrics determine how HR activities contribute to organization's bottom line
- Using metrics and research to support proposals, decisions, strategies, and tactics is evidence-based HRM
 - Strategic HR metrics provide material to allow healthcare managers to apply “evidence” to support decisions
- Availability of data that drive HR metrics extend organizational capabilities from a retrospective view to a prospective view

The HR Brand

- Attractive HR brand is important to attain best talent
 - Branding refers to organization's corporate image or culture
 - Embodies the values and standards that guide employee behavior
 - Indicates the purpose and perception of the organization, the profiles of people it hires, and the results it recognizes and rewards

Strategic HR Trends

Old HR Practices		Current HR Practices
Job Analysis and Planning		
Explicit job descriptions	—————>	Broad job classes
Detailed HR planning	—————>	Loose work planning
Detailed controls	—————>	Flexibility
Efficiency	—————>	Innovation
Staffing		
Supervisors make hiring decisions	—————>	Team makes hiring decisions
Emphasis on candidate's technical qualifications	—————>	Emphasis on the applicant's "fit" within the culture
Emphasis on diversity as compliance with equal opportunity	—————>	Emphasis on inclusion and belonging for underrepresented groups
Layoffs	—————>	Voluntary incentives to retire
Letting laid-off workers fend for themselves	—————>	Providing continued support to terminated employees
Training and Development		
Individual training	—————>	Team-based training
Job-specific training	—————>	Generic training emphasizing flexibility
"Buy" skills by hiring experienced workers	—————>	"Make" skills by training less skilled workers

Old HR Practices		Current HR Practices
Organization responsible for career development	—————>	Employee responsible for career development
Performance Appraisal		
Uniform appraisal procedures	—————>	Customized appraisals
Control-oriented appraisals	—————>	Developmental appraisals
Supervisor inputs only	—————>	Appraisals with multiple inputs
Compensation		
Seniority	—————>	Performance-based pay
Centralized pay decisions	—————>	Decentralized pay decisions
Fixed fringe benefits	—————>	Flexible menu of fringe benefits
Employee Rights and Discipline		
Emphasis on employer protection	—————>	Emphasis on employee protection
Informal ethical standards	—————>	Explicit ethical codes and enforcement procedures
Emphasis on discipline to reduce mistakes	—————>	Emphasis on prevention to reduce mistakes
Employee and Labor Relations		
Top-down communication	—————>	Bottom-up communication and feedback
Adversarial approach	—————>	Collaboration approach
Preventive labor relations	—————>	Employee freedom of choice

Who Performs HR Tasks?

- All healthcare managers deal with HR issues regardless of functional area and size of organization
- Trend toward reducing the size of the HR department and shifting traditional HR functions to line managers
 - Empowers managers to take ownership of decisions with support from HR team
- Shift toward strategic HR permits HR function to focus more on mission-oriented activities

Governance and HR

- Critical HR issues to which HR professionals can help organizational governance include the following:
 - Selecting incoming CEO
 - Tying CEO's compensation to performance
 - Identifying and developing optimal business and HR strategies
- Role of CHRO
 - Leveraging HR's role in major change strategies, developing and implementing metrics that align with strategies, and helping line managers achieve goals

Key Points

- Managing HR strategically is critical to viability and success of healthcare organizations
- HR must be integrated and aligned with the business strategy
- Healthcare organizations identified as “best to work for” have competitive advantage
- Healthcare organizations must determine which HR functions should be performed in-house and which should be outsourced
- Employee well-being is vital to positive organizational outcomes, including patient satisfaction and safety

Fundamentals of Human Resources in Healthcare, third edition

CHAPTER 1: STRATEGIC HUMAN RESOURCES MANAGEMENT

Carla Jackie Sampson

Overview

Chapter 1 provides a framework for the textbook. It distinguishes operational human resources (HR) management from strategic HR management. The approach stresses the need to ensure that managing people supports the organization's mission, strategies, and goals. The chapter emphasizes the importance of positive employee outcomes, particularly inclusion, belonging, and well-being, for positive organizational outcomes. It presents a vision for human resources in which the responsibility for managing people is not restricted to a particular department but is the responsibility of everyone in the organization. The chapter makes the case that effective HR management creates a competitive advantage for the organization. As emphasized throughout the text, the chapter also highlights how different HR functions are interrelated.

Teaching Suggestions

This chapter provides many opportunities for activities and assignments. Students may be asked to examine the linkages between organizational mission and strategy and HR practices. They may do this for an organization in which they have worked, or for a new organization.

Another class assignment may involve examining HR philosophy in healthcare organizations. Students could be asked to examine an organization's mission statement and other documents for insight into how the organization portrays its treatment of people. This could be supplemented with interviews with managers and employees.

Included in the text are the following exercises.

Exercise 1

In groups, the students should discuss their chosen HR practices and whether their previous or current employers implemented these practices. The groups also assess the degree to which these practices are effective or ineffective in these settings and why. They may also discuss which practices in exhibit 1.1 appear to be least followed (i.e., not implemented) and why. The instructor will lead a discussion regarding the potential effectiveness or ineffectiveness of any of these practices in particular healthcare environments.

Exercise 2

This exercise aims to inform students of the information on the internet regarding companies that have made the latest list of *Fortune* magazine's best companies. The exercise requires students to visit the website of three of these organizations and review the posted information from the perspective of a potential job applicant. Then they will determine which of these three companies interested them the most, which website they considered "the best," and why. Finally, they will conclude what information job seekers might need on an employer website and how they might design such a website for a *Fortune*-listed company.

Answers to Discussion Questions

- 1. How may an organization's human resources be viewed as a strength or a weakness when doing a SWOT analysis? What could be done to strengthen human resources if it is seen as a weakness?**

An organization's HR can be a strength when the high quality of its staff allows it to better serve its customers compared with its competitors. HR can be viewed as a weakness when an organization's staff is inferior to that of competitors because it practices poor recruitment, selection, retention, performance management, and employee development.

Companies viewed as good places to work because of their supportive culture, high employee job satisfaction, above-average compensation, extensive employee development, and other positive job attributes attract and retain higher-quality human resources than those lacking these attributes.

If human resources are perceived as a weakness in a SWOT analysis, the organization needs to determine the nature and causes of the problem. Is it inadequate recruitment and selection, or is it a failure to develop, reward, and engage employees once they are hired? If the former, it must revamp its recruitment and selection processes to attract the brightest and the best staff. It may develop additional criteria beyond the basic skill requirement aligned with organizational goals and culture. The organization may need to examine and improve employee development and engagement if the latter. Inattention in this area may constrain upward mobility; poor or no supervisory training may contribute to employee dissatisfaction; and compensation, the inadequacy of which may make the organization uncompetitive in the labor market. Whatever the cause, it must be addressed if the organization intends to provide excellent customer service and clinical outcomes while growing its market share and increasing employee satisfaction.

2. What factors under the control of healthcare managers contribute to the decrease in the number of people applying to health professions schools? Describe the steps that healthcare organizations can take to improve this situation.

The most important factor under the control of healthcare managers is the current work environments of most healthcare organizations (HCOs). HCOs often need to be more adequately staffed, and their supervisors must be better prepared to exercise their responsibilities. Salary increases are small and infrequent, and physicians do not always treat other health professionals respectfully. In some situations, favoritism is readily apparent. Major decisions affecting a group of employees are often not discussed openly, and employee input is not encouraged.

HCOs must take steps to address this situation. First, they need to address the cultural issues existing in many healthcare organizations where employee needs and wants are a low priority for managers. Second, they may need to upgrade the human resources function to professionalize it and integrate it with the strategic management function. Third, all HR functions discussed in this book should be enhanced to create a more positive work environment. Such an environment should increase the willingness of current employees to encourage young people to follow in their footsteps and enter the various healthcare professions. Additionally, some organizations support local high schools and university programs by creating pathways, clerkships, and practicums for careers in healthcare organizations.

3. What are the organizational advantages of integrating strategic management and human resources management? What are the steps involved in such an integration?

The organizational advantages of integrating strategic management and HR management are enhancing both human resources outcomes and organizational outcomes. In other words, if the two are integrated and aligned successfully, the HR strategies and tactics will reinforce the business strategies and tactics, allowing them to be more effectively implemented. As a result, more positive HR outcomes will enhance organizational outcomes. HR outcomes include higher employee competence and motivation levels, organizational commitment, job satisfaction, and retention. Improved organizational outcomes, in turn, include legal compliance, competitive advantage, stakeholder satisfaction, and increased market share.

The steps involved in such integration include the following:

- Determine the organization's mission, purpose, and values.
- Assess internal strengths and weaknesses.
- Assess the external environment's opportunities and threats.

- Formulate the organization's corporate, business, and functional strategies.
- Formulate an HR strategy and tactics to implement the strategy.
- Implement the HR strategy and tactics through the management of stakeholders.
- Achieve more positive HR outcomes.
- Achieve more positive organizational outcomes.

4. One healthcare organization is pursuing a business strategy of differentiating its service product through providing excellent customer service. What HR metrics do you recommend to reinforce this business strategy? Why?

Achieving excellent customer service requires the following HR metrics to reinforce this strategy. Measures should assess HR practices and initiatives that foster employee engagement and support high-quality service delivery.

- | | |
|-------------------------|------------------------------------|
| ● Staff retention rates | ● Staff participation in training |
| ● Staff turnover rates | ● New hire satisfaction |
| ● Employee satisfaction | ● Staffing ratios by position |
| ● Patient satisfaction | ● Return on investment in training |

5. In what sense are all healthcare executives HR managers? How can executives best prepare to perform well in this HR function?

All healthcare managers and executives manage people. They constantly plan their human resources allocation, recruit people, select people, provide training and development opportunities, evaluate performance, and recommend compensation. Although an HR department can support and facilitate these functions, the line manager is often the final decision-maker. The extent to which they manage human resources well enhances the performance of the department and their ultimate career success.

To perform well in implementing the various HR functions, current or future managers need to familiarize themselves with the legislation and regulations regarding the management of human resources. This familiarization can be achieved through either formal coursework at a university or continuing education programs offered by many professional organizations. In addition, line managers should consult with HR managers regarding decisions they must make. Errors in judgment can often be costly for the individual manager and the organization. In addition, managers should always be open to input from their team members and communicate with them to determine their attitudes, needs, and wants. While it may not always be possible to meet all these needs and wants, a manager must know what their team members are thinking and what challenges and issues they are attempting to address. Current or future managers must also adopt a strategic approach to team members by setting

performance goals and providing regular feedback to enhance employee development and prepare employees for future roles or organizational or project priorities.

6. Why are knowledge and proficiency in HRM concepts and techniques important to all healthcare managers?

This chapter points out that all managers are human resource managers, and HRM concepts are relevant to all managers and, in fact, to all people working in an organization. Managers supervise people and must be acquainted with how to structure jobs to maximize the probability of success. Being involved in hiring, they must understand the legal requirements associated with the hiring process and techniques for recruitment and selection. Managers also evaluate employees' performance and provide feedback and coaching. The essential point is that managers are engaged in HRM daily. While a formal HR department is a necessary part of all organizations, that department is but one element in the tasks associated with managing a workforce. One can also make the case that all employees are HR managers because they often must manage relationships with coworkers, team members, and of great importance, their boss. Many of the HRM skills are relevant to this dimension of HRM.

7. Consider the vignette at the beginning of this chapter. Outline three to five initiatives that Kamla should undertake to achieve the strategic goals.

Initiatives should address employee well-being, engagement, hiring/and workforce development. Some examples include the following:

- Employee well-being programs
- Burnout mitigation programs
- Employee recognition programs
- Create/revamp employee lounge or wellness room
- Increase transparency and encourage bottom-up communication
- Determine how technology and analytics can transform work responsibilities to free staff from some administrative burden
- Create career pathways/ upskilling or reskilling workers to meet new or expected demands
- Create phased retirement programs for experienced employees
- Explore flexible scheduling options for employees considering retirement
- Expand application pool
- Support local high schools and university programs by creating pathways, clerkships, and practicums for careers in healthcare organizations.