Healthcare is undergoing major changes as a result of a multitude of factors, including rapidly changing technology, cost pressures and value-based payment models, unprecedented consumer access to information, globalization and global changes, changing demographics, and new levels and forms of competition among healthcare organizations. Change is a staple of the healthcare system: a Google search for “health care change” generates about 602,000,000 results.

Human resources—that is, people—represent the bedrock of US healthcare organizations. As of this writing, the healthcare industry employs one in nine Americans, up from one in 12 in 2000. In fact, since 2007, about 35 percent of job growth has come from the healthcare sector (Terhune 2017). Even with these astronomical numbers, it is clear that we will face severe staffing shortages with the confluence of the aging of the population and of the healthcare workforce. Many communities are experiencing shortages among a wide range of healthcare workers, and there are widespread disparities in the geographic distribution of the healthcare workforce. More than ever, data on the healthcare workforce clearly indicate that healthcare workers are a scarce resource that we should nurture, develop, and treat with the utmost care. Yet if we speak with a random group of workers in the healthcare workforce, it is doubtful that we would find the sentiment reflected that they are in fact treated with the respect and care required of a scarce resource. It’s not that we don’t know how to manage healthcare workers; rather, it is a question of how well healthcare managers understand the fundamental principles of effective human resources management.

Anybody who has worked in any type of organization—whether a hospital, a sports team, or an educational institution—knows that planning is the easy part. A soccer team
prepares to meet its opposition by understanding its own strengths and weaknesses and those of the opposition. However, putting this plan into practice—implementation—is fraught with all kinds of obstacles. These obstacles are no less intense in healthcare organizations. The difference is that when implementation fails in a sports team, a team loses and fans are depressed for a day or two. In a healthcare organization, patients may die, employees may be injured, and the organization’s survival can be put at risk.

This book is about putting plans into practice. Specifically, we address what is indisputably the most important part of implementation: the workforce. All too often, managers become so enraptured and self-satisfied with their plans that they ignore the people who are responsible for putting plans into practice. If we value employees who are patient oriented and empathetic, are we considering these qualities when we hire people? If we want to retain our employees (and not have them leave if they are offered an additional dollar per hour by another organization), do we know the factors that are related to employee turnover and retention? If we want our managers to help employees improve, do we train our managers in how to conduct performance reviews and coach employees toward success?

The challenges encountered in motivating and managing the workforce are not lost on entrepreneurs, consultants, and “pop business” writers (if you are in doubt, visit an airport’s bookstore or Google “managing people”). What we frequently find are books that are billed as the latest solution to workforce challenges; all too often, they are put forward as commonsense cure-alls. Business books that present the topic as complex don’t sell; simplicity sells.

The fact is, managing the workforce is complex—and uncertain. There is no magic single solution. If there were, we would not have a flourishing market for management cure-alls. This book is in many ways a back-to-basics approach. Managers frequently rely on common sense in managing people, but common sense is not always correct, and situations do not present themselves neatly tailored to our theories and expectations.

This book sets forth fundamental concepts that will help healthcare managers do the most important and most difficult part of their job: managing the people. Having a strong knowledge base in what works is fundamental to good management, and that is what we offer in this book. We acknowledge the complexity of managing people. We do not offer panaceas and simple solutions: that would be a recipe for failure. What we do offer in this book is information, best practices, ways to analyze workforce problems, evidence about what works and under what circumstances, and tangible evidence-based strategies for successfully working with employees so that our carefully laid-out plans are effectively implemented.

This book is intended for current and aspiring managers, and not solely for people employed in human resources departments in organizations. Our philosophy is that everyone is a human resource manager, whether one is a supervisor or an employee who must manage relationships with coworkers and with one or more bosses. We are all human resource managers.
CHAPTER OVERVIEWS

Workforce management requires an understanding of multiple disciplines and functions, such as employee motivation, compensation, and training strategies. A successful manager will understand the multitude of disciplines required for managing the workforce. However, he or she must also be able to synthesize these areas of knowledge and recognize that organizations are systems, and as in systems, changes in one part of an organization affect other parts of the organization. For example, if we change the way we pay employees, how will it affect employee motivation, productivity, and turnover? Although this book is divided in a disciplinary manner for ease of presentation, it should be understood that effective managers will master these areas and also develop the ability to view management and organizations systemically.

Chapter 1, by Myron Fottler, introduces the concept of strategic human resources management. For many years, human resources management has had an often well-deserved reputation for playing a passive role in organizations. In contrast to such functions as marketing and research and development, which were seen as contributing to organizational growth and performance, the personnel department did not appear to support the organization but instead appeared to keep it from flourishing. Rather than finding ways to promote progress in the organization, the personnel department was often perceived as standing in the way of innovation and change.

In this first chapter, Fottler sets the stage for this entire volume. His approach stresses the need to ensure that the way in which we manage people supports the organization's mission, strategies, and goals. He sets out 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 remainder of this book expands on this simple framework: aligning our human resources management practices with the interests of the organization.

Chapter 2, by Kenneth White, Dolores Clement, and Marisa Roczen, provides the reader with an understanding of the variety of professionals working in healthcare organizations. Highlighting the major health professionals, the authors describe the unique characteristics of these professions, paying particular attention to their functions in healthcare, educational requirements, licensure, changing roles, and future prospects for professional groups. They also address issues such as the impaired physician and other management challenges.

Like much of healthcare management, effective human resources management requires an understanding of an enormous body of laws and regulations. Written by Drake Maynard, chapter 3 provides an overview of laws related to such topics as employee rights, discipline and privacy, sexual harassment, and discrimination and equal employment opportunity. A later chapter addresses the specific laws related to unionization and union–management relations.
In chapter 4, Myron Fottler discusses job analysis and job design, which form an essential foundation for virtually every other human resources management function. The content and design of jobs have implications for recruitment, compensation, training, employee supervision, and other key activities. Effective job analysis provides managers with an understanding of the purpose and content of jobs, which in turn allows us to create job descriptions and identify the qualifications for particular jobs. Such goals as effective recruitment and fair compensation depend on having a clear understanding of the requirements of a job. Fottler contends that the deliberate structuring of work can lead to improved individual, group, and organizational performance.

Staffing and keeping competent employees pose an increasing challenge for healthcare organizations. In chapter 5, Bruce Fried addresses the interrelated topics of recruitment, selection, and retention. Reasons that employees choose to accept jobs, strategies for successful selection of employees, and evidence about why healthcare employees stay with or leave organizations are the focus of this chapter. We also look at staffing from a global perspective and address such controversial topics as the global migration of healthcare workers and the ethics of foreign recruitment of physicians and nurses.

With the rapid changes in healthcare, employees and organizations require continual renewal. Effective training is a characteristic of all successful organizations, yet many if not most healthcare organizations pay scant attention to the design and evaluation of training initiatives. In chapter 6, Myron Fottler provides a framework for designing and evaluating training and development programs. He explains basic concepts in planning training initiatives and discusses the uses for particular training formats.

Performance measurement and improvement have become central features of healthcare organizations. In many instances, healthcare organizations are financially rewarded for excellent performance. However, excellent organizations depend on high-performing employees. Performance management seeks to improve employee performance by accurately evaluating employee performance, providing feedback to employees, coaching, designing strategies for improvement, and evaluating the effectiveness of improvement efforts. In chapter 7, Bruce Fried offers a variety of approaches for performance management. We argue that effective performance management often requires a change in the organizational mind-set because performance evaluation is often viewed as a punitive and judgmental process, rather than a positive and collaborative experience.

In chapter 8, Brigid Grabert and Bruce Fried discuss the complex topic of compensation in healthcare organizations. Compensation is anything but a routine function. This chapter addresses the organizational challenge of balancing internal equity and external competitiveness in compensation policy, the role of labor market conditions in determining compensation, and the controversial topic of pay-for-performance. As the relationship between physicians and organizations changes, so does the manner in which physicians are compensated, and these changes are rapid.
Organizational reward systems are not limited to compensation. A significant portion of staff costs in organizations is related to employee benefits. In chapter 9, Dolores Clement, Maria Curran, and Sharon Jahn bring their collective knowledge and experience to the topic and provide a highly readable and comprehensive review of employee benefits, including history, current practices and issues, budgetary implications, and benefits administration.

The role of labor unions in healthcare organizations continues to evolve, along with the legal landscape of unionization and union–management relations. Healthcare and the public sector remain the two major targets for unionization in the United States. Donna Malvey and Amanda Raffenaud bring their expertise to this topic in chapter 10, where they examine legislative and judicial rulings that affect management of organized labor in healthcare settings. They also address the still-emerging role played by the Internet in union organizing, collective bargaining, and contract administration.

With an increasingly diverse US population, American healthcare organizations must understand diversity and inclusion to succeed. In chapter 11, Jeffrey Simms and Bruce Fried provide alternative perspectives on diversity and stress the importance of critically examining the culture of the organization and taking concrete steps to move the organization toward greater inclusivity.

Quality improvement is now a mainstay of healthcare organizations. While much attention has been focused on quality improvement methods, relatively little has been given to the workforce aspects of developing and implementing quality improvement initiatives in healthcare organizations. In chapter 12, Bruce Fried and Jordan Albritton address quality improvement from the perspective of the healthcare workforce. After reviewing the history of the quality improvement movement, they focus particularly on the main implementation unit of quality improvement, the quality improvement team. They examine the role of teams in quality improvement and explain how to engage and motivate team members.

**Instructor Resources**

This book’s Instructor Resources include an Instructor’s Manual and test bank.

For the most up-to-date information about this book and its Instructor Resources, go to ache.org/HAP and browse for the book’s title or author name.

This book’s Instructor Resources are available to instructors who adopt this book for use their course. For access information, please e-mail hapbooks@ache.org.