

PREFACE

Healthcare underwent remarkable changes in the last decades as a result of numerous factors, including advances in technology, availability of information, and new forms of organizations and financing mechanisms. Despite these changes, healthcare remains, and will always remain, a people-oriented enterprise. Healthcare customers are people, and regardless of the transformation in the way healthcare is provided, the central players in the delivery of care—whether preventive, diagnostic, curative, chronic, or rehabilitative—are still people.

As healthcare managers, we know (or think we know) about dealing with people. However, the manner by which we manage people in our organizations remains rather primitive. One of the reasons for this is that many healthcare professionals become managers as a result of their success in clinical or technological areas. Physicians, nurses, and laboratory technicians who are highly effective in their particular discipline are frequently rewarded by promotion into the managerial ranks. The erroneous assumption behind those promotions is that the same skills required of the clinician or technician are applicable and relevant at the managerial level.

Human Resources in Healthcare: Managing for Success is written for healthcare management students and healthcare professionals who have, or in the future will have, responsibility for managing people in healthcare organizations. This target audience includes virtually every formal leader—from supervisors to senior managers—in hospitals, health departments, physician practices, home care agencies, and other healthcare systems. Although the human resources department plays a key role in overseeing various employee affairs, that department does not “own” human resources management and is not capable of ensuring that the human resources practices implemented by managers are fair and equitable, effective and efficient, ethical, and legal. Human resources management is carried out at all levels in the organization and throughout the workday. In that sense, all healthcare managers are also human resources managers.

This book discusses the importance of systematic and strategic thinking about the organization’s human resources function, focuses on ways to

effectively implement human resources practices, and explores the traditions and beliefs that often stand in the way of implementation.

Chapter Overview

Our goal in this second edition is the same as in the first: to share the wealth of information that healthcare executives must know to become effective managers of people. In assembling material for this book, we again were forced to make choices about which among the many human resources concepts to include and exclude. This edition addresses topics that were not covered in the first edition:

- Workforce planning, from a macro perspective
- Staff diversity
- Nurse workload measurement
- Human resources budgeting

Discussion on these topics can be found in generic literature on human resources management but is limited. Therefore, their inclusion here adds breadth to the book.

As in the first edition, diverse professionals from academia, health administration practice, law, business, medicine, and consulting contributed their expertise to this book. As a result, this edition concisely covers the major themes in healthcare human resources management and is written to make specific areas more accessible to a wider set of audience.

Chapter 1, written by Myron Fottler, explores strategic human resources management. For many years, human resources was synonymous with “personnel,” which in turn had a reputation for being passive and at times obstructionist in its relationship with internal customers. Fottler presents a proactive approach to human resources management that links human resources practices with organizational mission, strategies, and goals.

Chapter 2 is new to this edition and written by Tom Ricketts, an internationally respected researcher in healthcare workforce planning. Most human resources texts focus exclusively on internal human resources issues. In Chapter 2, human resources is addressed from the broader perspective of states, provinces, regions, and nations. Objectives and methods of healthcare workforce planning are discussed as well as the ambiguity of healthcare workforce supply requirements.

Healthcare organizations employ a diverse set of professionals, each of whom presents unique management challenges. Chapter 3 authors Kenneth White, Dolores Clement, and Kristie Stover take us through the

world of healthcare professionals, discussing the functions, education, licensure, changing roles, and management implications of various healthcare professions.

Human resources management operates within a highly complex and changing web of legal and regulatory requirements. Chapter 4, written by Beverly Rubin and Bruce Fried, examines employee rights, discipline and privacy, HIPAA, and equal employment opportunity. Given the changing nature of human resources and healthcare law, being completely current in the legal requirements and court decisions in these areas is impossible. The authors, however, provide a framework for management practice that is based on aspects of the law that they see as robust and unlikely to change dramatically in the foreseeable future.

Chapter 5, contributed by Rupert Evans, explores the challenges and opportunities presented by a healthcare workforce that is becoming increasingly diverse. Evans points out that diversity involves more than race and ethnicity, categorizing it into three kinds: human diversity, cultural diversity, and systems diversity. The author then recommends ways to develop an effective diversity program.

Job analysis and job design are central to human resources management; in fact, they affect everything we do in managing our workforce. Chapter 6, by Myron Fottler, explains the processes of and provides useful approaches to conducting a job analysis, creating job descriptions, and writing job specifications. Fottler contends that the deliberate structuring of work can lead to improved individual, group, and organizational performance.

Our understanding of job requirements leads us to Chapter 7, authored by Bruce Fried. In this chapter, Fried discusses the recruitment process and enumerates innovative methods of attracting and retaining people. Issues of validity in selection tools as well as the relative reliability of measuring different human attributes are explored. This second edition includes additional discussion on retention strategies, distinguishing between strategies that are likely to improve retention and those that, while may increase morale, have not demonstrated success.

Training and employee development are vital functions, not just to improve morale but also to ensure that the workforce is knowledgeable and skilled for both current and future organizational needs. In the past, training was often viewed as a “frill.” The perspective in Chapter 8, contributed by James Johnson, Gerald Ledlow, and Bernard Kerr, on the other hand, is that staff training and development are a key part of an organization’s competitive strategy. The importance of the learning organization is emphasized, and the learning cycle necessary to improve individual and organizational performance is described.

Performance management is the process of assessing performance, providing feedback to employees, designing strategies for improvement, and evaluating the effectiveness of those strategies. Chapter 9, by Bruce Fried, presents a variety of approaches for evaluating performance, including the 360-degree strategy. Fried argues that performance appraisal and management should be viewed as positive, rather than punitive. In many instances, achieving this ideal perspective first requires an examination of the dominant organizational culture, which frequently views performance appraisal in a negative manner.

Reward and compensation systems can result in employee motivation, retention, and high performance. In Chapter 10, authors Howard Smith, Bruce Fried, Derek van Amerongen, and John Crisafulli provide an overview of rewards and examine the purpose of an organization's compensation policy. Incentive plans and the pros and cons of pay-for-performance schemes are discussed, as well as the problems of redesigning physician compensation in different types of organizational settings. This topic is important because physicians are increasingly moving into employee and quasi-employee relationships with organizations.

Ensuring the health and safety of workers during work hours is a continuing concern for healthcare organizations, particularly given the litigiousness of the U.S. society and the fact that the healthcare environment teems with medical threats. Michael Ryan and Anne Kilpatrick submit in Chapter 11 a framework for implementing health and safety strategies in the workplace. These authors describe how such strategies can be integrated into ongoing continuous quality improvement initiatives.

Unionization came relatively late to healthcare, but healthcare is now the biggest area of growth for the labor movement. Donna Malvey, author of Chapter 12, discusses unions, the unionization process, and labor-management relations. She gives particular attention to developments in the unionization of physicians and nurses and the implications of unionization for healthcare organizations.

Among the most important challenges facing healthcare managers is how to best deploy a key professional group, the nursing staff. Designing a deployment method is an area of considerable controversy and ambiguity, and the decision to maintain or deploy nurses is further complicated by nurse shortages. New to the second edition, Chapter 13, contributed by Cheryl Jones and George Pink, reviews the key aspects and measurement of nursing workload and offers nurse staffing metrics and calculation tools.

Eileen Hamby, writer of Chapter 14, introduces another new topic to this edition: human resources budgeting and productivity measurement. Given the size of the labor budget in healthcare organizations, methods are needed to accurately determine staffing levels, develop a labor budget,

and analyze productivity using appropriate metrics. Hamby addresses outsourcing and the impact of mergers and other changes on labor costs and productivity.

Paying attention to customers is a concept that came relatively late to healthcare, but certainly the concept contributes to improved quality and competitiveness. In Chapter 15, coauthors Myron Fottler and Robert Ford define customer focus and argue that human resources policies and practices need to change to support the healthcare organization's customer-focus strategies.

Bruce Fried and Myron Fottler close out the second edition. Chapter 16 enumerates ten trends that will have an impact on healthcare organizations and their workforces in the future.

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Conclusion

We encourage you to think about how the concepts discussed in this book apply to the changing healthcare scene and to the healthcare organization in which you work or have worked. It may also be worthwhile for you to regularly consult the literature for changes and innovations in human resources management. Additional information and updates on this topic are posted on the Health Administration Press web site (<http://www.ache.org/PUBS/fried2.cfm>). Consult this web page occasionally, either to find or to share information relevant to the subject matter.

Often, issues concerning finance, operations, and technology are thought of as the “hard” organizational problems. Meanwhile, human resources dilemmas are viewed as the “soft,” easily managed challenges. We disagree with this designation. People-management problems are hard problems. If people’s concerns are not addressed and their needs not met, they are not motivated to perform and not committed to and supportive of the organization. Without this motivation and support, all of the organization’s plans become compromised. Designing and implementing solutions to people problems are possible with the help of human resources management concepts and tools. We hope that this book gives you some of these tools and opens your eyes to alternative ways of managing people in healthcare organizations.

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