

# WHAT IS "GOOD" HUMAN RESOURCE MANAGEMENT IN THE HOSPITAL CONTEXT?

Martins, H. &amp; Prouença, T.

Escola Superior de Tecnologia da Saúde do Porto | Faculdade de Economia do Porto  
[helenamartins@eu.ipp.pt](mailto:helenamartins@eu.ipp.pt) | [tprouenca@fep.up.pt](mailto:tprouenca@fep.up.pt)

## Human Resources Management

Human resource management can be defined as a coherent and strategic approach to the management of an organization's most valued assets – the people who contribute to the achievement of its objectives with their work (Armstrong, 2006).

The pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals constitutes strategic human resource management (Wright and McMahan's, 1992)

Conceptual and empirical work tends to focus on HRM practices related to:

- Performance appraisal/management
- Training
- Decentralization
- Participatory mechanisms
- Team-based structures
- Employment security
- Staffing (recruitment/selection)
- Compensation

CIPD's (2001) multisector review of research on the relationship between HRM and organizational performance reported that "more than 30 studies carried out in the UK and US since the early 1990s leave no room to doubt that there is a correlation between people management and business performance, that the relationship is positive, and that it is cumulative: the more and the more effective the practices, the better the result". This finding, similar to that of other authors (e.g. Caulkin, 2001; Buchan, 2004) is reinforced by other works such as Richard and Thompson's (1999) who had noted: "There are in the region of 30 empirical studies that have sought to address the relationship between HR practices and business performance ... The published research generally reports positive statistical relationships between the greater adoption of HR practices and business performance".



## Human Resources Management in Hospitals

Healthcare organizations are considerably more than mere business (Golden, 2006) and according to Drucker (1993) they are the most complex form of human organization we have ever attempted to manage.

Similar to other organizations, hospitals are concerned with maximizing effectiveness through the adoption of appropriate management policies and practices (West, 2006). Although the importance of human resources management (HRM) to the success or failure of health system performance has, until recently, been generally overlooked (Buchan, 2004), within many health care systems worldwide, increased attention is being focused on human resources management (HRM) (Kabene et al, 2006).

Human resources, when pertaining to health care, can be defined as the different kinds of clinical and non-clinical staff responsible for public and individual health intervention (WHO, 2000). In Hospitals, HRM has to function in a sector with some unique characteristics. The workforce is large, diverse, and comprises separate occupations often represented by powerful professional associations or trade unions. Some have sector-specific skills; other can readily move from the health sector to employment in other sectors. The avowed first loyalty of those with sector-specific skills and qualifications (physicians, nurses, etc.) tends to be to their profession and their patients rather than to their employer.

Moreover, recent studies have significantly connected good HRM practices with good health results and vice versa, such as West' et al.'s (2006) work on reducing patient mortality via good HRM practices, Blatnick & Lesnicar's (2006) connection of hospital personnel dissatisfaction with the propagation of infections or even Yuebi's (2003) reference to negligence of infant patients and HRM exploitation among nurses. Thus, good HRM practices in hospitals seem not only to be important, but vital.

## Clues about what "good" HRM in Hospitals is, mention:

Preuss (2003) argues that 'high performance' HR systems can improve healthcare outcomes in hospital settings in part because they promote effective information processing and decision-making in environments where this is critical. This author suggests that investments in high performance work systems will yield superior health care—and reduced costs—because these systems increase employees' capacity to interpret 'equivocal' information on an ongoing basis and allow them to act directly upon this information. Preuss found that aspects of high performance work systems (e.g., increased employee knowledge and broad task responsibilities among nurses) directly impact a measure of hospital medication errors (frequently linked to patient mortality). This effect was partly mediated by improvements in information quality.

Employment security is an element likely to enhance commitment and to ensure the retention of skills developed through training and appraisal and to maintain effective teamwork as a result of not disrupting established relationships (Hartley, Jacobsen, Klandermans, & van Vuuren, 1991; Pfeffer, 1998). Workforce instability and reductions are argued to be particularly deleterious in knowledge-intensive, service industries (Cascio, 2002), such as healthcare. Moreover, employment security is associated with higher levels of employee job satisfaction. In turn, healthcare workers' satisfaction levels have been linked with employee retention (McCloskey, 1990; Stratton, Dunkin, Juhl, & Geller, 1995), patient satisfaction and quality of healthcare (Tarnowski-Goodell & Van Ess Coeling, 1994; Tzeng & Katefian, 2002).

Involvement in decisions about goals can increase motivation (Locke, 1968) and help to improve communication and cooperation; employees can coordinate with each other, which will help save management time. Not involving staff in the decision processes is a frustration for employees as well as a loss of potential (Lawler, Ledford, & Mohrman, 1992 cit in West, 2006).

Leaders in healthcare organizations should focus sharply on developing a sophisticated and internally coherent HRM system that encourages high performance and commitment amongst employees. This includes ensuring a sophisticated and effective approach to appraisal that is applied across most or all staff groups; implementing a sophisticated training needs analysis and training strategy; encouraging employee involvement in decisions affecting their work and the conditions in which they work; decentralizing decision making; encouraging team working; providing employment security; and, in other contexts, it is likely to include ensuring approaches to staffing and compensation that encourage high performance. (West, 2006)

The need for a "fit" between the HRM approach and the organizational characteristics, context and priorities, and for recognition that so-called "bundles" of linked and coordinated HRM interventions will be more likely to achieve sustained improvements in organizational performance than single or uncoordinated interventions (Buchan, 2004).

De Pietro (2006) suggests that instead of fighting the involvement of medical and nursing staff in both public and private practices, this mixture can be encouraged for an improved quality of technical knowledge (by the extra experience acquired); increased motivation of staff through increased financial outcomes; information that private practice can give to hospitals about physicians' competencies, and they can highlight personal attitudes or suggest training programs. In short, for this author it is clear that the mixture between public and private activities, if well managed, can exercise a powerful leverage for good management and motivation.

## Conclusions

Hospitals are an essential service. Throughout the world hospitals are facing many challenges including increased costs, per capita decreases in government funding, technology that delivers both less invasive surgery (consequently capacity to perform more inpatient procedures) and the capacity to deal with more complex medical interventions. As such, one important area of improving and maintaining service delivery is to better manage the HR function and human resources more generally.

Government reports have warned that a chronic shortage of health professionals is constraining the capacity of hospitals to deliver adequate services. Shortages of nurses, doctors and some allied health professionals are national and international problems. There have been many media reports of hospitals closing emergency departments and wards due to workforce shortages. Such labour shortages are putting pressure on politicians, policy-makers, health practitioners and administrators to find solutions to what is increasingly seen as a health-care crisis. One of the main causes of labour shortages is the inability of hospitals to retain existing staff. An alarming proportion of the trained and experienced health workforce become dissatisfied and exit from hospital settings.

Research has been focusing HRM practices in different perspectives, but some aspects seem to be fairly uncontroversial. In this poster we have presented some findings brought on by the research in the study of HRM in the hospital setting such as: the need for HRM to be consistent and coherent with the whole organization, instead of simple isolated measures; the use of integrated "high performance HR systems"; the reduction of workforce instability, unfavorable to optimized team work (the importance of team working by health professionals is recommended repeatedly because of the evidence that it enables shared knowledge and understanding about patient needs, good decision making, lower error rates, and more effective patient recovery [Borrill, West, Shapiro, & Rees, 2000; Firth-Cozens, 1998; West & Borrill, 2006]); the usage of specialized personnel's practice in other settings to integrate information about their performance and training needs and to increase their expertise, and the involvement of staff in decision making.

Despite the specificities of the hospital context, there are some other clues one can grasp, namely from similar contexts. Using up prior findings to speculate on other HRM measures that might constitute good practices. For example, Pfeffer (1994, 1997) summarized seven characteristics that he identifies as the core practices that "characterize most if not all systems producing profits through people". These seven characteristics are: an emphasis on providing employment security; the use of self managed teams; decentralization of decision making; and extensive training; selective hiring of new personnel; reduced status distinctions and barriers; extensive provision of training; compensation linked to performance.

In sum, research on HRM in the hospital context has been increasing in the last years, although the field remains largely to be explored. Research has been conducted by scientists from different backgrounds (Medicine, Psychology, Nursing, Economic, Management, Sociology, Allied Health Sciences, etc.) providing different and enriching points of view that construct different meanings and stress diverse implications of the HRM practices.

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