CHAPTER IV:

HUMAN RESOURCES ISSUES IN HOSPITALS

- General HR Issues
- HR Issues in Hospitals
- HR Issues related to Nursing
- Other Important Issues related to Research
CHAPTER - IV

HUMAN RESOURCES ISSUES IN HOSPITALS

THE MOST COMMON HUMAN RESOURCES ISSUES:

Human resources (HR) issues commonly experienced by employers include establishing productivity, recruiting employees, arranging and carrying out training, and preventing discrimination. Workers in personnel management also face challenges such as resolving conflicts and keeping workers safe. Establishing and distributing benefits, encouraging and maintaining diversity, and handling outsourcing are major concerns as well. How each business deals with its specific human resources issues depends on the HR manager or director as well as company policy. No matter what approach a business takes, addressing these issues usually is an ongoing process.

**Productivity:** A primary goal of a human resource department is to manage and organize employees so that they can be as productive as possible, as this generally leads to more revenue. HR personnel, therefore, think very critically about the number of people per shift, team assignments, motivational offers like bonuses, and keeping morale high. These factors can have strong correlations, so the difficulty is how to make changes in one area without overly affecting another. It can be challenging to make modifications and “correct” arrangements that don’t strain the company’s budget.

**Recruitment:** Personnel management workers have always been responsible for at least some aspects of employee recruitment. They have to find methods, such as attending job fairs and sending out promotional mailings, to generate interest in particular positions and the company as a whole. Many companies face an even bigger problem in this area, however, because globalization means that companies are competing with each other around the entire world rather than just one small
area or country. Modern employees also are looking for jobs that provide more of a balance between employment and family. Companies sometimes need to offer more in terms of benefit packages or incentives, as well, because people increasingly look for jobs that reduce their risks in unstable economic situations.

**Training:** Training is needed in virtually every business and industry because every company has its own policies and procedures employees must follow. It is HR’s responsibility to figure out how to conduct the training so that operations are not interrupted or strained. The department also determines how training sessions and seminars factor into the company calendar and budget. Coordinating with third parties involved in the training is also necessary, in some instances.

**Discrimination:** Companies often value diversity because it provides different modes of thought and experiences that can generate new ideas and better productivity. It also fosters a sense of equality that is well-suited to teamwork. Businesses look to their HR departments to build diversity into the workplace, as those in personnel management generally are responsible for company recruitment, hiring, promotion, and termination. Many places have laws that make various forms of discrimination in the workplace illegal, so human resources workers have to recruit and train in a way that follows both legal and business standards. Since more employees are aware of their rights, a modern HR department may also need to handle a potential increase in complaints about discrimination.

**Conflict Resolution:** Even though members of personnel management departments work hard to find employees who are a good fit for the company’s culture, the wide range of personalities, experiences, and skill sets found in the workforce mean that some conflicts are bound to happen. Investigating complaints of verbal or physical harassment is common, but other conflicts, such as those involving broken promises from managers, stolen property, and other problems, also occur. This is one of the biggest human resources issues for companies because it is almost always cheaper to retain an employee than to find and train a new one. If HR doesn’t
resolve conflicts when they are present, resignations or firings can result, which ultimately costs the company money.

**Safety:** Workers often use equipment that, if not properly used, can result in accidents or health problems. Even something like a desk that is not ergonomically positioned can be a potential injury source. The HR department has to take this into account when it organizes workers. It also investigates allegations of unsafe equipment or managerial direction.

**Benefits:** Virtually all companies offer some benefits to employees, either to appear competitive or to comply with local, regional, or national regulations. HR directors work with the heads of companies to create benefit policies and packages. Common employee benefits include health insurance, life insurance, a dental plan, and employee product discounts. When employees are terminated, their benefits usually are too, so HR must keep records of the exact hiring and termination dates of each employee.

**Outsourcing:** Outsourcing refers to companies giving work to independent contractors outside the company rather than to in-house employees. Independent contractors are freelance workers who pay their own taxes and insurance. Outsourcing is one of the most common human resources issues, as many businesses are hiring freelancers rather than creating more overhead costs by taking on additional in-house employees. Overhead costs include equipment and workspace as well as benefits such as medical insurance.

**TODAY'S TOP 10 HUMAN RESOURCE MANAGEMENT CHALLENGES:**

Due to the fluctuating economy as well as local and global advancements, there are many changes occurring rapidly that affect HR in a wide range of issues. In the Survey of Global HR Challenges: Yesterday, Today and Tomorrow, conducted by PricewaterhouseCoopers on behalf of the World Federation of Personnel Management Associations (WFPMA), several challenges for human resource
management were revealed. This survey, which concluded that "despite national and regional differences, there was remarkable unanimity," disclosed the following top 10 human resource management challenges:

<table>
<thead>
<tr>
<th>Challenges</th>
<th>% of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Change management</td>
<td>48%</td>
</tr>
<tr>
<td>2. Leadership development</td>
<td>35%</td>
</tr>
<tr>
<td>3. HR effectiveness measurement</td>
<td>27%</td>
</tr>
<tr>
<td>4. Organizational effectiveness</td>
<td>25%</td>
</tr>
<tr>
<td>5. Compensation</td>
<td>24%</td>
</tr>
<tr>
<td>6. Staffing: Recruitment and availability of skilled local labor</td>
<td>24%</td>
</tr>
<tr>
<td>7. Succession planning</td>
<td>20%</td>
</tr>
<tr>
<td>8. Learning and development</td>
<td>19%</td>
</tr>
<tr>
<td>9. Staffing: Retention</td>
<td>16%</td>
</tr>
<tr>
<td>10. Benefits costs: Health &amp; welfare</td>
<td>13%</td>
</tr>
</tbody>
</table>

**TAKING A CLOSER LOOK AT THE TOP 3 HUMAN RESOURCE MANAGEMENT CHALLENGES:**

1. **Change Management**

   Since this is generally not a focal point for HR professional training and development, change management represents a particular challenge for personnel management. The WFPMA finds that "This may also be the reason why it is cited as the foremost issue as HR continues to attempt to help businesses move forward. An intensified focus on training may be needed to develop added competencies to deal with change management."
2. Leadership Development

As the second of the biggest challenges for human resource management, leadership development needs to be a critical strategic initiative. HR professionals are faced with being expected to provide the essential structures, processes, tools, and points of view to make the best selection and develop the future leaders of the organization. The WFPMA reports that, "Across the globe leadership development has been identified as a critical strategic initiative in ensuring that the right employees are retained, that the culture of the organization supports performance from within to gain market position, and that managers are equipped to take on leadership roles of the future so that the organization is viable in the long term."

3. HR Effectiveness Measurement

How can improvement happen without the right tools to measure HR effectiveness? As with many other areas of business, this profession also needs to be able to measure results in terms of transaction management, as well as in terms of the positive influence on business. "Utilizing metrics to determine effectiveness is the beginning of a shift from perceiving HR's role as purely an administrative function to viewing the HR team as a true strategic partner within the organization," the WFPMA says. "In fact, the next section reports that survey participants believe a critical future issue for HR will be organizational effectiveness - again supporting HR's critical role as a strategic partner to management."

This world federation also notes that, "Where HR departments have traditionally focused on measuring their own effectiveness, there is an evolving recognition that they can provide organizational value by measuring the effectiveness of the entire business organization. The shift is significant as it represents movement from simply counting the numbers hired to determining the ROI of collective and individual hires on a long-term basis. Going beyond measuring
turnover, this new approach considers 'bad' turnover and 'good' turnover along with the overall cost of replacement hires."

**HR ISSUES IN HEALTH CARE INDUSTRY:**

Dr. J. Sivakumaran, Sr. VP, SPS Apollo Hospitals expounds on the importance of human resources and the need to handle them efficiently to improve healthcare delivery. In spite of technological advancements, one cannot rule out the importance of manpower in hospitals. Latest and modern technologies cannot substitute the contribution made by specialized manpower in the healthcare industry. Human resource (HR) is a very vital resource, a veritable sine qua non in the healthcare industry. To err is human, goes the old adage, probably suggesting that one need not make a big deal of mistakes committed. However, in healthcare mistakes can prove quite grave, with fatal consequences for the patient. Hence, healthcare staff should have the ability to follow and implement safe and ethical practices with highest level of technical competency. There are many challenges before the human resource department of a hospital. Few of the important challenges are discussed here.

**Shortage of workforce:** The first and foremost challenge is the identification, recruitment and retention of the required workforce. In healthcare, there is a dearth of talent and trained manpower. India faces a huge gap between demand and supply of healthcare workforce. This is due to the heavy shortage of beds and human resource, and to compound the situation further, a highly skewed infrastructural growth. As per a survey conducted by Tecknopak, by the year 2020, we need 2.5 million hospitals, one million doctors, two million nurses and 10 million paramedics, with the growth opportunity to do a healthcare business of $280 billion. It is a fact that we are struggling to meet the demand even for the current level of operations. The shortage of workforce is due to various reasons. Many of the quality manpower are being hired by hospitals abroad, causing shortage and brain-drain in India. Skilled workforce from India is much sought after in the international market.
Indian healthcare employees seek overseas opportunities due to prevalence of poor pay scales, lack of professional growth, skill development and poor working conditions in India. These factors contribute to the flight of local talent seeking greener pastures abroad. It is to be noted that it takes at least five years to train a doctor and minimum three years to train a nurse before they attain the expected level of service delivery after their professional degree. There are no shortcuts here. Any attempt at trying to shorten the gestation period would be highly detrimental. When there is a shortage, it becomes necessary to have effective HR strategies in place to achieve better outcomes. Therefore, the HR personnel need to act as coaches, mentors, counsellors, identifiers of successors by promoting organizational ethics, values, culture and beliefs.

**Training and retention of employees:** Apart from the challenge of having the right people for the right task, technological advancement warrants consistent training for maintaining the highest standards of medical excellence. Whether it is for accreditation, technology upgradation, service customization, quality service delivery or developing medical tourism, constant training and retraining of the employees is essential for aligning their skill sets in line with the objectives of the organization. A professionally trained and skilled workforce is essential for running any hospital successfully. Once trained properly, retaining the workforce is also a huge challenge confronting hospitals. Retaining talent is less expensive than hiring a new employee and training him/her to suit the organizational needs. Developing a workforce is, in a way, upgrading the skill set of the existing workforce as well as helping the staff in acquiring competencies and skills for their current and future roles. Mentoring employees to take up bigger roles within the company often helps unearth latent talents and skills, benefitting individuals and the hospitals. This will improve the motivational and confidence level of staff to perform efficiently and effectively.
Developing multi-tasking workforce: Employee cost is a major expenditure in hospitals and it keeps increasing consistently. Sometimes it goes beyond the budgeted level due to repeated revision of wage norms by state governments. With the healthcare sector witnessing an unprecedented boom, there is an abundance of employment opportunities for healthcare professionals, further pushing up the costs of retaining them. Due to this, hospitals are working on methods to keep the cost under control, without compromising on the quality of service. One such method is to have a multi-tasking manpower pool which can be made to perform multiple functions based on business exigencies. Identifying, orienting, training, inducting and retaining a multi-tasking manpower is an onerous task which many hospitals have taken upon themselves. Talents are being identified and trained to do multi-tasking and this task force is often called upon to make up for manpower deficiencies in specific areas. This strategy helps hospitals retain the manpower cost at a reasonable level and ensure better utilization of the manpower employed.

Developing second line staff: Migration of healthcare workers is comparatively high, as compared to other industries. In case of nurses, the hospitals are not only facing threat from competitors within the city hospitals, but also from government hospitals, teaching institutions and from healthcare institutions abroad. Retaining this vital workforce despite the ‘pull-factor’ from competitors is a challenge. In spite of the best efforts being put in by hospitals to retain talent, the employee turnover ratio in the Indian healthcare space is a whopping 30 per cent. In such a scenario, hospitals need to constantly work on developing a second rung workforce to fill in the shoes of the employees leaving them. Identification of such talent and grooming them to take up bigger roles is a real challenge before hospitals. This exercise needs to be done in all areas and at all levels. Replacing a talent from the existing work force often proves to be cheaper than hiring from outside, as long as the competency level is sufficient to meet the challenge.
Managing younger workforce: The population demography of the country is heavily skewed with the youth making up for a substantial percentage of our population. Many of the fresh recruits are barely into their twenties when they are inducted into the workforce. Their attitude is different from the more seasoned seniors. The younger generation needs to be handled with care, largely owing to their outlook, upbringing and attitude. The youth of today are ready to take on any challenge, assume ownership of work and run the extra mile in pursuit of their ambitions. However, the flip side is that they are fiercely independent and are generally unappreciative of a senior constantly watching over their shoulders. They are generally go getters, flexible, non-conservative and liberal in culture. Training and aligning them to the organizational culture, maintaining high decorum, sustaining a safe workplace that keeps up with their self-actualization objectives is a challenge in itself. Therefore, it is essential that hospitals try and maintain a workplace which would cater to the dynamic needs of the workforce. The deserving employees need to be recognized, encouraged and rewarded for getting the best out of them.

Accountability of workforce: Patient care, in general, is a team work and not an individual task. The team mix is hybrid, consisting of uneducated, unskilled workers to highly qualified doctor(s). In such a scenario, it is important to fix the accountability for each job performed by each individual, so as to ensure seamless delivery of quality healthcare. Documentation of responsibilities given to each individual in the healthcare delivery system is very important for achieving desired results. This is again a challenge before us.

In spite of all these challenges, hospitals find their own ways and means to overcome these problems. Undoubtedly, the sector is growing year after year and these challenges are expected to settle down over a period of time if the stakeholders come together and take suitable initiatives.

#END OF CHAPTER#