Developing a Strategic Human Resources Plan for the Urban Angel

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Abstract

In healthcare a significant portion of the budget is related to human resources. However, many healthcare organizations have yet to develop and implement a focused organizational strategy that ensures all human resources are managed in a way that best supports the successful achievement of corporate strategies.

SMH recognized the benefits of a Strategic Human Resources Plan (SHRM). During an eight-month planning process, SMH undertook the planning for and development of a SHRM. Key learnings are outlined in this paper.

Key Words

- Strategic Human Resources Management

- Effective Use of Human Resources

- Optimizing Corporate Performance Through Human Resources

What Is Strategic Human Resources Management…and Why?

In healthcare – hospitals, community service providers and planning agencies – a significant portion of the budget is related to human resources. Despite that significant financial investment in the *people* who deliver the business*,* many healthcare organizations have yet to develop and implement a focused organizational strategy that ensures all human resources are managed in a way that best supports the successful achievement of corporate strategies.

A well-planned and executed approach to SHRM provides the infrastructure and focal point for:

- How organizations are effectively leveraging the strengths of their people;
- Identifying and prioritizing initiatives focused on ensuring the strategic use of human resources; and
- Benchmarking, monitoring and measuring outcomes.

For this reason, hospitals are now driven to review and adopt leading practices in Strategic Human Resources Management (SHRM.)

Owners and Ambassadors

It is important to differentiate Strategic Human Resources Management – *i.e. the purposeful, coordinated plan to ensure that resources are used in a way that optimizes corporate performance* – and the work of Human

Resources (HR) *Departments*. Although HR Departments are integral in providing an HR infrastructure, acting on HR priorities and deploying SHRM Plans, entire corporations "own" and play a role in the achievement of strategic human resources goals. Figure 1 demonstrates how SHRM aligns with the corporate strategies as well as HR policies, programs and practices and also illustrates the respective roles of organizational leaders and Human Resources practitioners.

In the deployment of SHRM Plans, HR *Departments* are the ambassadors. As part of their role in championing SHRM Plans, HR Departments need to be very good at their own processes – recruitment, policy management and payroll, to name a few. *Excellence in these areas demonstrates a commitment to the 'people who serve'.* Because HR activities cut across all corporate areas, departmental service excellence acts as a beacon to the entire enterprise.

Importantly, managers and employees who experience *exceptional* customer service i.e. their dealings with the HR department are timely, accurate – even pleasant - are more likely to have confidence and trust in the organization. In other words, staff satisfaction and retention can be improved by supporting high-performing HR Departments.

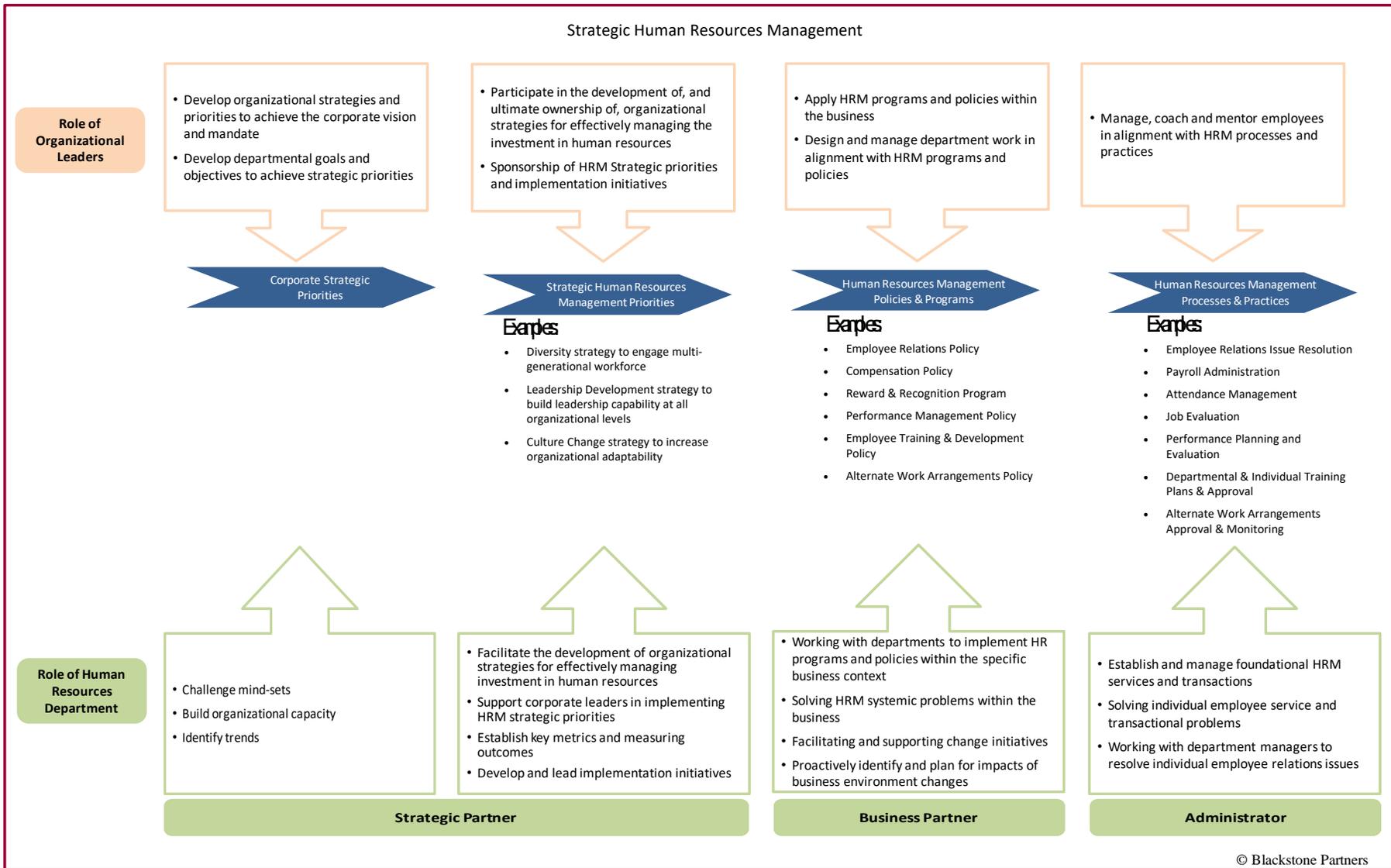### *What High-Performing Organizations Do Differently – A Top 10 List*

High-performing organizations that "get SHRM right" are purposeful in their approaches. To ensure the best outcomes, Organizations who adopt a strategic approach to managing their human resources and focus their efforts in several key areas. These corporations typically:

Table 1: High Performing Organizations and their Areas of Focus

1. **Master the administrative or transactional aspects of their HR business, such as benefits and payroll.** *These organizations realize the benefits of ensuring that the foundational aspects of their businesses must be performed with excellence.*

2. **Make tangible investments in human capital that are widely communicated.** *These include, but are not limited to: training and development; developing mechanisms to solicit feedback from staff and fostering interdisciplinary collaboration through cross-corporate initiatives.*

3. **Make *innovation and inspiration* a top corporate priority through organizational, team and individual performance management.** *Making innovation everyone's responsibility fosters a culture of learning and inclusiveness.*

4. **Focus time and attention on ensuring communication between all levels of the organization.** *These high performing organizations understand the benefits of communicating early – and often – so that everyone is aware of their role in contributing to corporate performance.*

5. **Identify key opportunities to improve employee motivation and productivity.** *The stronger the bond between employer and employee, the greater the likelihood that staff will go 'over and above' on behalf of the organization.*

6. **Increase employee productivity by identifying and removing obstacles that act as barriers to performance.** *This action not only improves productivity – it helps staff to feel valued, engaged and that organizations are listening to them.*

7. **Focus time and attention on addressing and solving problems that impact an individual's ability to do their best work.** *The sense that their employer wants to 'bring out the best in them' improves both productivity and satisfaction.*

8. **Manage generations and diversities within the workplace.** *Attracting and retaining the 'youth of today' while*

fostering harmony amongst potentially disparate groups is a proven method of fostering collaboration.

9. **Invest in Leadership Development.** *Supporting leadership progression across all levels of the organization fosters the personal leadership required of effective organizations.*

10. **Develop a High-Performance Culture.** *Identifying and implementing mechanisms to engage employees (e.g. pay for performance) and targeting training and development initiatives aimed at developing organizational resistance to change fosters a culture of 'transformation'*

Strategic Human Resources Management

Role of Organizational Leaders

- Develop organizational strategies and priorities to achieve the corporate vision and mandate
- Develop departmental goals and objectives to achieve strategic priorities

- Participate in the development of, and ultimate ownership of, organizational strategies for effectively managing the investment in human resources
- Sponsorship of HRM Strategic priorities and implementation initiatives

- Apply HRM programs and policies within the business
- Design and manage department work in alignment with HRM programs and policies

- Manage, coach and mentor employees in alignment with HRM processes and practices

Corporate Strategic Priorities

Strategic Human Resources Management Priorities

Human Resources Management Policies & Programs

Human Resources Management Processes & Practices

Examples:

- Diversity strategy to engage multi-generational workforce
- Leadership Development strategy to build leadership capability at all organizational levels
- Culture Change strategy to increase organizational adaptability

Examples:

- Employee Relations Policy
- Compensation Policy
- Reward & Recognition Program
- Performance Management Policy
- Employee Training & Development Policy
- Alternate Work Arrangements Policy

Examples:

- Employee Relations Issue Resolution
- Payroll Administration
- Attendance Management
- Job Evaluation
- Performance Planning and Evaluation
- Departmental & Individual Training Plans & Approval
- Alternate Work Arrangements Approval & Monitoring

Role of Human Resources Department

- Challenge mind-sets
- Build organizational capacity
- Identify trends

- Facilitate the development of organizational strategies for effectively managing investment in human resources
- Support corporate leaders in implementing HRM strategic priorities
- Establish key metrics and measuring outcomes
- Develop and lead implementation initiatives

- Working with departments to implement HR programs and policies within the specific business context
- Solving HRM systemic problems within the business
- Facilitating and supporting change initiatives
- Proactively identify and plan for impacts of business environment changes

- Establish and manage foundational HRM services and transactions
- Solving individual employee service and transactional problems
- Working with department managers to resolve individual employee relations issues

Strategic Partner

Business Partner

Administrator

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Figure 1: Sample Strategic Human Resources Plan

The St. Michael's Hospital Experience – A Strategic Human Resources Plan for the Urban Angel

St. Michael's Hospital (SMH) was founded in 1892 as a values-based organization and continues to be committed to Human Dignity, Excellence, Compassion, Social Responsibility, Community of Service, and Pride of Achievement. The hospital has evolved into a centre for innovation in patient care, teaching and research. Known as the *Urban Angel*, SMH is renowned for its Inner City Health program which provides best practice care for the homeless and vulnerable populations and embodies the hospital's commitment to diversity. As the designated Adult Trauma Centre for downtown Toronto and a major referral centre for Ontario, the Hospital treats the most critically ill and complex patients in the province.

In order to live the values and achieve leadership in treating critically ill and complex patients, St. Michael's has consistently invested in the people that make their organization what it is today. This tenet was most recently demonstrated through the implementation of a *People Strategy*. Satisfaction survey results indicate that staff at SMH are significantly more committed to their organization and are more satisfied with their working environment than their counterparts at peer institutions. Notably, the hospital's Strategic Plan for 2009-2012 places a premium on Human Resources through the *Investing in People* priority and an explicitly stated commitment to retain or improve current levels of staff satisfaction.

Realizing the Benefits of a SHRM

In 2009 Senior Leadership at SMH recognized its inherent benefits and embarked on the development of a Strategic Human Resources Plan. The time was right for SMH to focus on the future – to identify where and how Human Resources at SMH needed to go, as well as how SMH could embrace HR as a strategic partner.

To support the development of SMH's SHRM, the hospital engaged Blackstone Partners (Blackstone), a management consulting firm, to provide support and expertise to this initiative. The project was supported by an SMH Resources with stewardship from Senior Executives. The Project Sponsors were deliberate in employing an approach that built on work completed to date and engaged stakeholder audiences in a manner that shaped the Strategic Human Resources Management Plan over time.

During the eight-month planning process, SMH learned much from the planning for and development of a SHRM. Five key learnings, the tenets of the SHRM and Strategy Map are outlined below.

1. **Taking Performance to New Heights**

   Although SMH already enjoyed the benefits of highly satisfied staff – and high retention rates – the hospital was not content to rest on its laurels. Instead, they were intentional about learning from the 'best of the best' and undertook a review of best practices as part of the planning process. Many of these practices were incorporated into the planning and deployment of the SHRM.

2. *Together We Get Better* - **Engaging all Levels of Staff in the Planning Process**

   Advice and feedback from Staff at all levels – from front-line HR practitioners to the CEO - was solicited at key points. While interviews with Senior Leaders informed the early stages of the SHRM, an interdisciplinary, pan-departmental steering committee provided the generative thinking and discussion required to ultimately shape the plan. Before the plan was even deployed, SMH was embodying the tenets of its SHRM by creating a forum to share experiences.

3. **Focusing on Areas of Highest Impact**

   Time was also taken during the consultative phase to develop priorities that were achievable in 5 years and taking into consideration the resources required to support these outcomes in light of all other activities underway at SMH. The SHRM (Fig xx, below) was also developed as an iterative process – that evolved the HR foundation from one of transactional excellence to one of strong strategic partner.
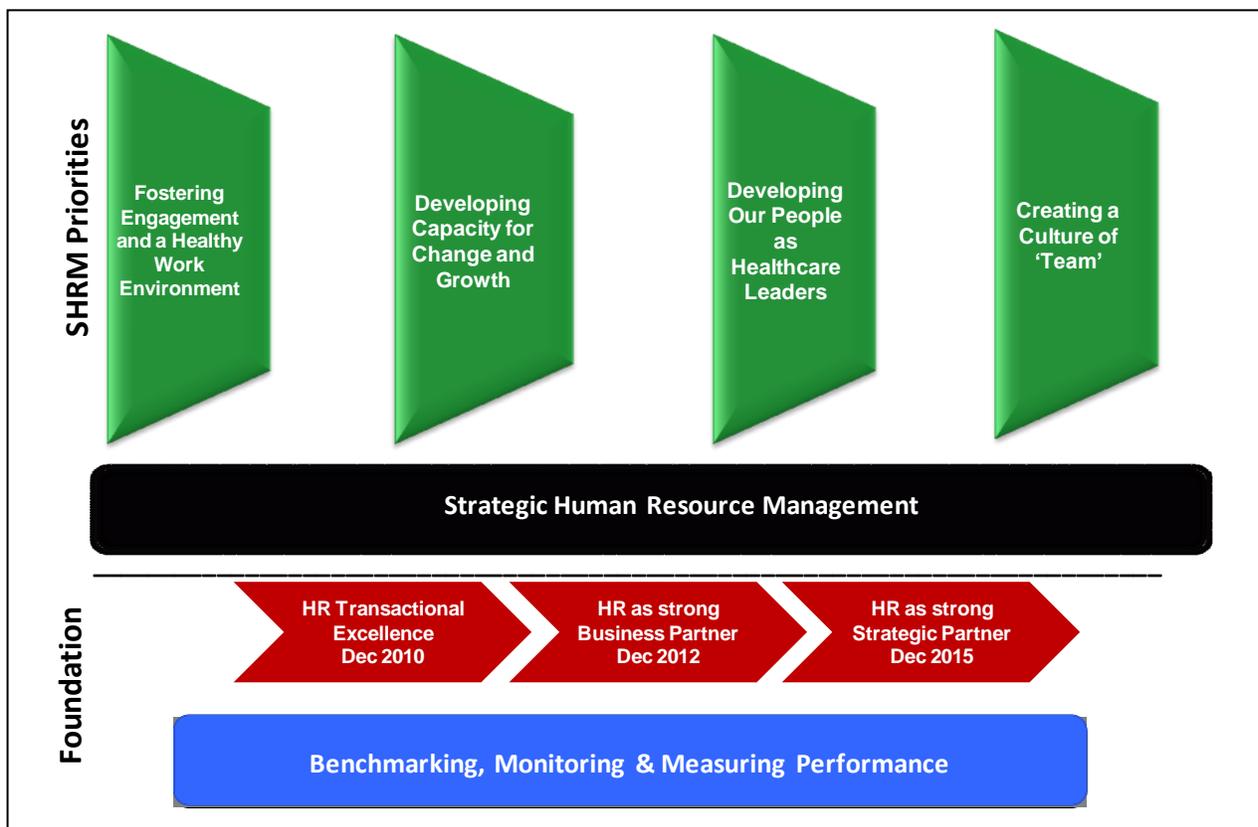

Figure 2: Strategic Human Resources Plan for St. Michael's Hospital

4. Aligning Strategy with…..Strategy

SMH, in all aspects of planning, was very mindful that the Strategic Human Resources Management Plan was aligned to corporate strategic directions, and built upon previous initiatives.
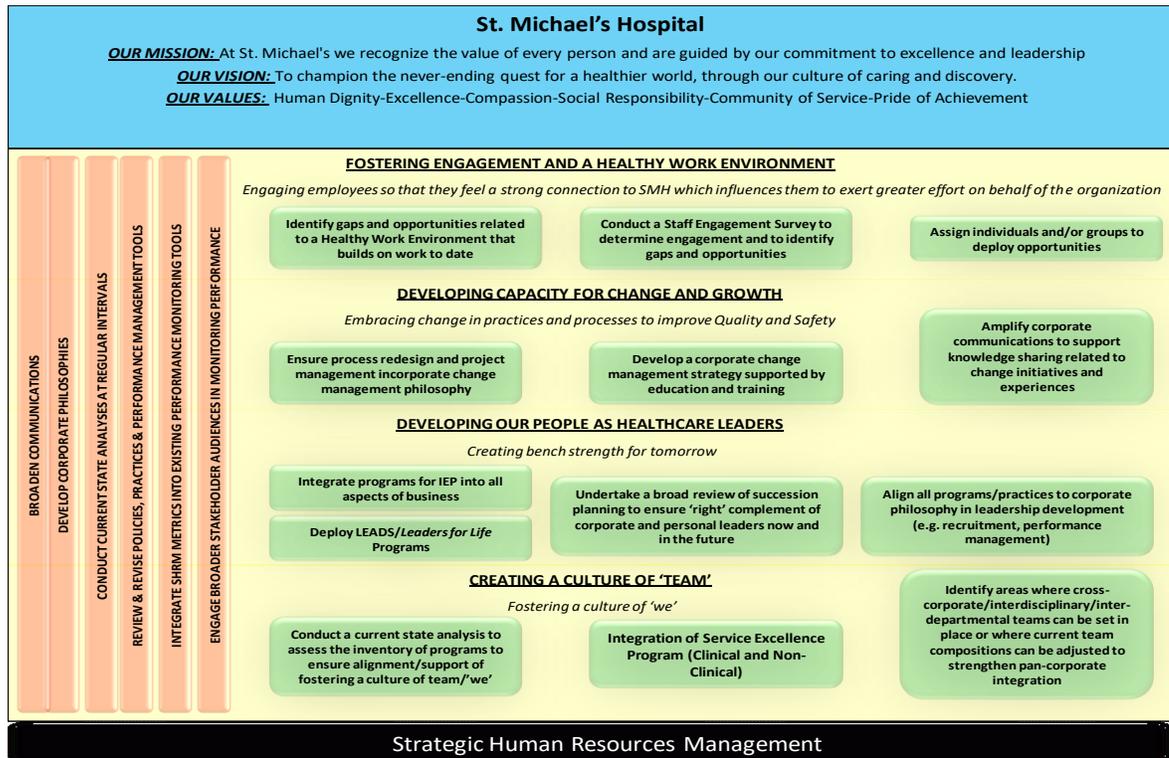

St. Michael's Hospital

OUR MISSION: At St. Michael's we recognize the value of every person and are guided by our commitment to excellence and leadership
OUR VISION: To champion the never-ending quest for a healthier world, through our culture of caring and discovery.
OUR VALUES: Human Dignity-Excellence-Compassion-Social Responsibility-Community of Service-Pride of Achievement

BROADEN COMMUNICATIONS
DEVELOP CORPORATE PHILOSOPHIES
CONDUCT CURRENT STATE ANALYSES AT REGULAR INTERVALS
REVIEW & REVISE POLICIES, PRACTICES & PERFORMANCE MANAGEMENT TOOLS
INTEGRATE SHRM METRICS INTO EXISTING PERFORMANCE MONITORING TOOLS
ENGAGE BROADER STAKEHOLDER AUDIENCES IN MONITORING PERFORMANCE

FOSTERING ENGAGEMENT AND A HEALTHY WORK ENVIRONMENT

Engaging employees so that they feel a strong connection to SMH which influences them to exert greater effort on behalf of the organization

- Identify gaps and opportunities related to a Healthy Work Environment that builds on work to date
- Conduct a Staff Engagement Survey to determine engagement and to identify gaps and opportunities
- Assign individuals and/or groups to deploy opportunities

DEVELOPING CAPACITY FOR CHANGE AND GROWTH

Embracing change in practices and processes to improve Quality and Safety

- Ensure process redesign and project management incorporate change management philosophy
- Develop a corporate change management strategy supported by education and training
- Amplify corporate communications to support knowledge sharing related to change initiatives and experiences

DEVELOPING OUR PEOPLE AS HEALTHCARE LEADERS

Creating bench strength for tomorrow

- Integrate programs for IEP into all aspects of business
- Deploy LEADS/_Leaders for Life_ Programs
- Undertake a broad review of succession planning to ensure 'right' complement of corporate and personal leaders now and in the future
- Align all programs/practices to corporate philosophy in leadership development (e.g. recruitment, performance management)

CREATING A CULTURE OF 'TEAM'

Fostering a culture of 'we'

- Conduct a current state analysis to assess the inventory of programs to ensure alignment/support of fostering a culture of team/'we'
- Integration of Service Excellence Program (Clinical and Non-Clinical)
- Identify areas where cross-corporate/interdisciplinary/inter-departmental teams can be set in place or where current team compositions can be adjusted to strengthen pan-corporate integration

Strategic Human Resources Management

Figure 3: Mapping St. Michael's Hospital's Strategic Human Resources Plan

5. Owners and Ambassadors – the SMH Way

Importantly, SMH as a _corporation_ will "own" the plan – many areas of the hospital will play a role in its successful achievement, including the HR Department. As a visible face of Human Resources, the HR Department will be responsible not only for championing the SHRM, it will be responsible for developing and/or updating HR policies, programs and practices in alignment with the Strategic Human Resources Management priorities and providing hospital leaders with guidance and support as they implement Strategic Human Resources Management initiatives. Very importantly, HR Processes and Customer Service Excellence will be a continuous priority for the HR Department**.** With this outlook, transactions (i.e. payroll) will be performed accurately and in a timely manner and the experience of the HR Department is one of _exceptional customer_

service. Achieving these outcomes will engender heightened trust and confidence in both the HR Department and in SMH.

Conclusion

In healthcare change and ambiguity are constant. Successfully achieving corporate priorities and organizational resilience in the face of change and ambiguity requires a workforce that is motivated, sharing knowledge, and working together on common goals. The leaders in the organization need to take ownership for strategically managing the significant investment in people; HR practitioners need to provide insight and expertise to those leaders in the development of key Strategic Human Resources Management Plan initiatives aligned to corporate priorities. Strategic Human Resources Management should result in increased organizational capacity to effectively and efficiently deliver services, whereby:

- Key resources are leveraged appropriately throughout the organization;

- Corporate priorities and departmental objectives are achieved;

- Employees across the organization are motivated and able to achieve their best possible performance; and

- A culture of personal leadership permeates across all areas of the organization.

By developing a Strategic Human Resources Management Plan with specific roles for the Human Resources Department and for other areas, as well as metrics to monitor and measure results, SMH has laid the foundation for a shared responsibility for optimizing outcomes.

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