



Challenges to HR Audit in Hospital Administration in 21st Century

KEYWORDS

HR Audit, Healthcare sector.

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ABSTRACT *The role of human resource department is changing and amplifying with the increasing diversity of the human resource in healthcare organisations and multifaceted legal and ethical issues in global healthcare sector. Every organization is said to be successful when the human resources of the hospitals is competent and resourceful, contributing to the individual and organizational growth. Success of every unit of management lies in the basic function of setting hospitals tasks to be performed and achieve them with the help of the employees. The present article is an attempt to study the challenges associated with the HR Audit with respect to hospital administration in the 21st century.*

ABOUT HR AUDIT

HR Auditing involves the regular and systematic examination of organizational practices and accomplishments via organizational objectives, company policies, legal requirements, and professional standards.¹ Effective audits pinpoint the gaps between "what is" and "what should be" or "what could be." By removing or reducing the size of the gaps, an organization can increase legal compliance, ensure conformance to established professional standards, and contribute to the quality improvement process. The audit typically involves a review of human resource policies and practices against established accounting standards and recommended practices.

REVIEW OF LITERATURE

A number of studies picturised the issues in health care sector like Lebows.D.E (1974)² who suggested that in addition to measuring the patients subjective perceptions of care, the process, the structure, the outcome, the impact on patient should also be assessed in order to evaluate the quality of interaction between doctor and patient. Bhola. R.S., and Anand.T.R, (1978)³ highlights the areas that need personal attention of hospital administrator. Knapp R.I. and Peppers L.G (1979)⁴ reported that many physicians are unable to meet patient needs at personal level because their training militates against their accepting a shift, no responsibility from "healer" to "consoler" role. Fried Man, H.S., Dimattco M.R. Taranta A(1980)⁵ went to investigate the relationships between individual differences in non verbal expressions and factors of personality and social interaction in patient satisfaction and doctor's expressive ability. Desai.V.B (1984)⁶ elaborated the functions, principles and complexity of the hospitals. Eisendrath.S.J. Link N Matt Hay, M.(1986)⁷ noted that an ICU has been considered as psychologically stressful environment. Rozmin A Jain (1990)⁸ put forward the role of .management control system in achieving the objectives of the hospital. Shankara Rao.M (1992)⁹ advocated the current issue involved in hospital administration. Buetow & Roland(1999)¹⁰ opined that clinical audit has traditionally low priority within the NHS in comparison with research. Kara Hanson and William Jack (2007)¹¹ depicted that human resource problems are impeding progress towards global health targets. Simons Kelsey and Jankowski Thomas (2008)¹² depicted the factors influencing nursing home social workers' intentions to quit employment. Jha.S.K (2013)¹³ suggested that the management has to recognize the important role of Human Resource Department in order to successfully steer organizations towards profitability. The various findings of the past studies paves way for better understandability in the concept of Human resource in Healthcare sector. This would enrich the

present study with a unique perspective, clear thought and dimension.

SCOPE OF THE STUDY

The purpose of the HR Audit in hospitals is to conduct more in depth analysis of the HR function to identify the areas of strengths and weaknesses and where improvements may be needed. Conducting an audit involves a review of current practices, policies, and procedures, and may include benchmarking against other established hospitals of similar nature. Areas that should be audited include:

- Hiring/staffing/recruiting
- Talent benchmarking/assessment/selection
- Compensation design & management
- Benefits management & administration
- Policy creation, maintenance and governance
- Communications and education
- Retention and terminate analysis
- Workforce and succession planning
- Employee relations
- Staff & leadership development
- Legal compliance
- Record-keeping
- Health safety and security etc

SIGNIFICANCE OF HR AUDIT

Legislation affecting all aspects of Human Resources is constantly evolving and the legal ramifications of noncompliance impact the HR department, the organization, and its employees. An HR Audit can help to ensure legal compliance while measuring the effectiveness of HR programs. There are many reasons why an HR Audit should be conducted, and the results can be used for multiple purposes. At a minimum, the results of an audit help the hospitals :

- To determine what needs to be done, how these changes will impact the bottom line of the hospital, how to prioritize problem areas in terms of significance.
- To clarify desired practices of HR work and roles within the hospital.
- To establish a baseline for future improvement in the hospital.
- To evaluate current effectiveness of the hospital.
- To standardize practices across multiple sites within a department or hospital.
- To assess current knowledge and skills required of HR practitioners.
- To improve performance levels to the stakeholders of the

hospital.

Therefore HR Audit is a service offering designed to allow an adult acute hospital to discern to root causes of the gaps between current HR service delivery and those of a fully strategic HR function. The audit comes with an annual guarantee of improvements to:

- Perception of HR service by Staff level customers
- Perception of HR service by Management customers
- Perception of HR service by Senior Leadership¹

As well as improving service, the HR Audit is designed to ensure that post-audit, HR's will have an enhanced ability to be responsible for, and drive improved outcomes in, the following areas:

- Physician engagement & alignment
- Reductions in avoidable days & delays in care
- Reductions in premium pay & agency staff utilization
- Improved scheduling practices
- Heightened employee engagement
- Improved Recruiting cycle times & reduced vacancy rates
- Heightened benefit alignment with cost control
- Ensuring the effective utilization of the hospital's human resources
- Reviewing compliance concerns with a myriad of administrative regulations
- Instilling a sense of confidence in management and the human resources function
- Maintaining or enhancing the hospital's and the department's reputation
- Performing "due diligence" review for shareholders or potential investors/owners
- Establishing a baseline for future improvement for the function

APPROACHES TO HR AUDIT IN HEALTH SECTOR

The following approaches are adopted in hospitals for purpose of evaluation:

• Comparative approach:

In this, the auditors identify competitor hospital as the model. The results of their hospitals are compared with other hospital / industry.

• Outside authority approach:

In this, the auditors use standards set by an outside consultant as benchmark for comparison of own results.

• Statistical approach:

In this, Statistical measures are performance is developed considering the hospital's existing information.

• Compliance approach:

In this, auditors review past actions to calculate whether those activities comply with legal requirements and industry policies and procedures.

• Management by objectives (MBO) approach:

This approach creates specific goals, against which performance can be measured, to arrive at final decision about hospital's actual performance with the set objectives.

CHALLENGES TO HR AUDIT

Challenges to administrative abilities have come from the health field as well as from the public:

- Business and professional leaders who were initiated into the hospital scene as trustees of voluntary hospitals.
- Large medical staff of today's hospital and who are especially concerned about the facilities and services available for the case of their parents.
- Professional organisations which prescribe various standards of hospital operation while granting approval to the hospitals.
- Academicians who are concerned about matching what they teach with the requirements of the patients and hospital administrations; and
- Labour demanding standards of employment and working conditions at least equal to if not better than those prevailing in other industries.²

The present special problems for small and rural hospitals whose difficulties in attracting resources, keeping up to date with advances in medical technology and maintaining financial viability raise questions about their future survival and how they should relate to larger institutions offering the specialized service that they are not able to provide.

Another challenge for hospitals concerns ethical issues, including those related to termination of life support services, nutrition and hydration for terminally ill patients, care for unsponsored patients, and allocation of resources to expensive and contested medical procedures such as artificial heart transplantation.

However as hospital affairs grew more complicated, some boards of trustee choose men and women from other related fields as administrators gradually. Skilled administration has come to be recognized as vital for the effective functioning of the hospital in its efforts to fulfill its greater responsibilities to the community, to the health field and in its need to adjust to varying social and economic changes.

Ever changing and advancing medical technology with commitment to professional development and awareness in the community has brought great challenges in hospital administration in this era. To keep pace with the changing environment in 21st century, the role of hospital administration faces challenges such as:

- o understanding the health system operating in the country,
- o greater involvement of professional experts and public in hospital affairs,
- o increasing demands and expectations on hospitals but decreasing resources,
- o a balance has to be maintained,
- o Dealing with conflicting demands of people they serve, health professionals they employ, the providers of the funds and the legislators.¹⁴

CONCLUSION

Hence, hospital administration will always be under tremendous pressure to keep pace with changing times and rising expectations of the society. It has to develop new skills and also to apply the old skills in the new situation. The hospital administration in 21st century has to be visionary, must be able to foresee the challenges and to take appropriate decisions to overcome these.

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