

# The Evolution of HR Transformation In Healthcare

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## The HR Challenges Faced by the Healthcare Sector

Capgemini has considerable experience in delivering HR transformation. This experience has provided first-hand visibility of the challenges facing HR organizations. These include:

- **Change:** HR Transformation is being delivered in an environment of considerable pressure for improved patient safety ratings and new models of care.
- **Decision Making:** Historically, the consensus building process between clinical leadership and management has led to delays and added complexities in stakeholder management.

- **Structure:** Complex formal and informal governance structures can slow progress, including multiple layers of decision-making.

These challenges are exacerbated by two additional factors that make effective HR Transformation even more important:

- **Talent drain:** A retiring workforce and increasing competition for leading clinicians both nationally and internationally.
- **Cost Reduction:** The increasing demand for lowering



## Principles of Successful HR Transformation

Clearly define the future state

Create a strong business case for change

Align people, process, and technology activities to achieve results

Partner with IT and win high-level sponsorship from management and clinical leaders early in the process

Eliminate HR activities & processes as appropriate to achieve results

Speed counts—Choose action over perfecting processes and performing exhaustive data assessment

Manage the transformation rigorously and use resources effectively

**The centerpiece of the strategic/change partner roles is the development of a Human Capital Strategy and Plan that is directly aligned with the organizational strategy.**

**A fundamental shift in the way HR operates is necessary—from Transactional Partner to Strategic/Change Partner.**

the cost reaches into HR services to meet budget requirements.

Consequently, the objectives of most HR initiatives within the healthcare sector are universal. These include reducing operating costs, improving HR service levels, leveraging HR outsourcing and alternative delivery capabilities, and integrating technology.

While the objectives of typical HR initiatives are certainly relevant in today's competitive landscape, HR's true strategic opportunity lies in its ability to evolve from focusing primarily on tactical administrative transactions to investing in areas with greater impact.

### HR Transformation— The Evolution

There are four key roles that every HR organization fills to varying degrees: Administrative Expert; Relations Manager; Strategic Partner; and Change Partner (see Figure 1). HR organizations often incorrectly try to drive efficiencies and cost savings by focusing solely on streamlining employee transactions and improving vendor relationships—the Administrative Expert and Relations Manager roles in the model.

The next generation of HR leadership should strive for operational efficiency and effectiveness, but it should shift significant time and attention to the upper half of the model—the Strategic Partner and Change Partner roles.

The centerpiece of the strategic/change partner roles is the development and implementation of a Human Capital Strategy and Plan that is directly aligned with the care provider's mission and strategy.

It is through collaboratively implementing the Human Capital Strategy/Plan that HR aligns its resources to help the organization realize its strategic objectives. This includes:

- Anticipating workforce trends (i.e.,

aging population, succession planning, etc).

- Leading change management initiatives.
- Effectively filling talent needs through competency based recruiting and staff development (e.g., nurses, lab technicians, junior doctors, specialists).

### Begin the Evolution

While HR in a care provider must evolve, it cannot lose credibility or performance in the traditional administrative processes that keep day-to-day operations running smoothly. The key is to optimize efficiency and effectiveness to allow a greater focus on Strategic and Change Partnership roles.

In many cases, this can be difficult to initiate because HR may not be participating in inter-departmental strategic meetings. To be at the table, HR must be able to present a solid value proposition to other departments demonstrating how it can help the department/agency better achieve its goals.

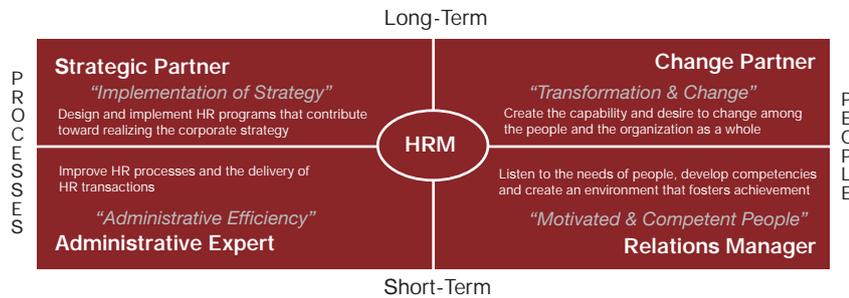
The HR organization must also be scrutinized to clearly articulate how the organization can better leverage HR leadership to meet its objectives. This means identifying the HR organization's own strengths and gaps along the four dimensions of Ulrich's HR model (see Figure 1), an assessment process Capgemini calls the HR Scan. The resulting analysis is used in HR Transformation as the basis for HR strategy development and implementation planning (i.e., development of the Human Capital Strategy/Plan).

### HR Scan

Capgemini's HR Scan is a powerful tool that enables us to assess a client's HR function against leading practice HR quickly and robustly. The outcomes are:

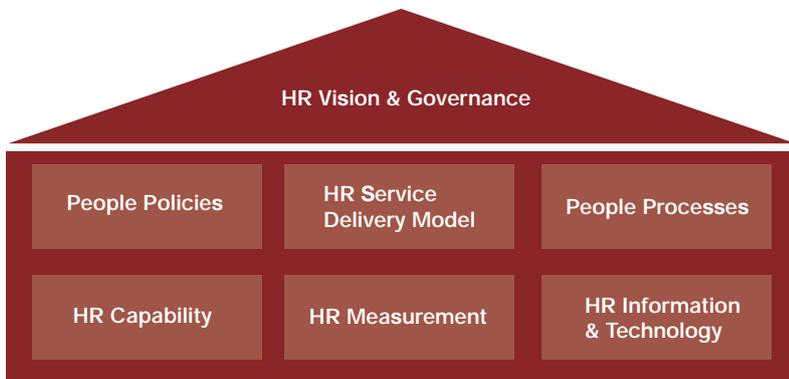
- A full analysis of the current state of the HR function against leading practices.

Figure 1: Four key roles of HR organizations



Source: Bron: D. Ulrich, Human Resource Champions, 1997

Figure 2: The Modular “HR House”



**Transforming Your HR Capability**

At Capgemini, we believe firmly in working collaboratively with our clients to ensure they achieve their objectives. This collaborative approach embeds knowledge and skills in our clients’ teams and helps to develop and sustain the transformation, ensuring that ongoing support is not needed.

Our key differentiators are:

- A proven approach to HR Transformation uses a diagnostic tool to prioritize actions and produce a business case that enables a client to deliver value quickly.
- We use an industry-wide acclaimed methodology, our Accelerated Solutions Environment (ASE). The ASE is used to provide clear direction to increase buy-in and to provide a platform for moving forward.
- Our collaborative working style makes us highly effective at balancing business and employee needs.
- We focus on achieving and measuring the benefits of transformation.

Our solution looks at how best practice organizations get their HR house in order. It provides a comprehensive framework for evaluation upon which the new or updated Human Capital Strategy/Plan can be developed. We have identified the following key principles for successful HR Transformation.

**Conclusion**

For healthcare HR organizations to be successful in today’s environment requires a fundamental shift—from transactional to strategic focus. In Capgemini’s experience, effective HR Transformation includes:

- Analysis of Current State Capabilities and results-oriented resource deployment (HR Scan).
- Development of a Human Capital Strategy/Plan that supports the care

Capgemini’s modular “HR House” method provides an easily manageable framework for HR Transformation phased in over time.

- Identification of a series of prioritized opportunities for improvement.
- A conceptual design blueprint.
- Identification of the benefits that can be achieved.

The outcomes of the HR Scan feed into the business case required to take the transformation forward and ensure that the transformation program has clear objectives and realizable goals. The prioritization ensures that a limited budget is used in a way that brings about the greatest benefit.

Capgemini’s modular “HR House” methodology provides an easily manageable framework for HR Transformation phased in over time.

provider's mission and objectives, planning and launching collaboratively with clinical and management stakeholders to increase buy-in.

- Development of operational job profiles and competencies that support the strategic Human Capital Plan, and implementation of steps to close competency gaps by leveraging these competencies for results-oriented hiring, performance management, talent development, and proactive succession planning.
- Development and implementation of streamlined business processes, incorporating automation and workflow where appropriate.
- Development of the Technology Roadmap to close gaps in technology enablement of HR processes, and collaborative implementation of related initiatives.

The true benefit of HR Transformation lies not in the cost savings that result from streamlining employee transactions, but in how the HR evolution aids effective implementation of the organization's overall strategy.



## About Capgemini and the Collaborative Business Experience

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, called the Collaborative Business Experience.

Backed by over three decades of industry and service experience, the Collaborative Business Experience is designed to help our clients achieve better, faster, more sustainable results through seamless access to our network of world-leading technology partners and

collaboration-focused methods and tools. Through commitment to mutual success and the achievement of tangible value, we help businesses implement growth strategies, leverage technology, and thrive through the power of collaboration.

Capgemini employs approximately 75,000 people worldwide and reported 2006 global revenues of 7.7 billion euros.

More information about our services, offices and research is available at [www.capgemini.com](http://www.capgemini.com).

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