# Promoting Safety and Quality Through Human Resource Practices

## Executive Summary

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None of the investigators has any affiliations or financial involvement that conflicts with the material presented in this report.

# Background

This final report presents the results of the research we completed as part of the ACTION Task Order, "Promoting Safety and Quality Through Human Resources Practices." In late 2008, the Agency for Healthcare Research and Quality (AHRQ) funded this research project to study how health care organizations are working to promote safety and quality of care through the use of human resource practices. The research team consisted of researchers from The Ohio State University (Ann Scheck McAlearney, Sc.D., Paula Song, Ph.D.), Rush University (Andrew Garman, Psy.D.), and Health Research & Educational Trust (Megan McHugh, Ph.D., Nadine Caputo).

Our study built on growing empirical support for a link between staffing patterns and patient outcomes in health services. Further, this study built on findings from the management literature that have demonstrated a link between innovative human resources (HR) practices, also called high-performance work practices (HPWPs), and organizational outcomes. Specifically, the study explored the impact of HPWPs in the health care setting.

The study comprised three main components:

1. *Literature scan/predictive logic model development:* A scan of empirical and practitioner-based literature was completed to develop a comprehensive logic model that combines and synthesizes the relationships between various HPWPs and quality outcomes in health care organizations.

2. *Case study analysis:* In-depth case studies were completed on five health systems known for exemplary human resources practices to explore the dimensions of the logic model and identify "best practices" for HPWPs.

3. *Business case analysis:* Part of the case study analysis was to explore whether and how health systems demonstrate a financial and nonfinancial "business case" for their investment in HPWPs.

A summary of the methodological approaches and key findings from these study components is provided in the next sections.


# Literature scan/predictive logic model development

Our comprehensive literature scan followed the four-step methodology outlined by Rousseau, Manning, and Denyer (2008) and shown below:

*Step 1.* Question formulation

*Step 2.* Comprehensive identification of relevant research

*Step 3.* Organizing and interpreting the findings

*Step 4.* Synthesis of the results

Using the results of this literature scan, we developed a logic model (Figure 1) that would guide our subsequent investigation. We identified 14 HPWPs that we organized into 4 subsystems: engaging staff; staff acquisition and development; frontline empowerment; and leadership alignment and development. Figure 1 shows this logic model and the predicted relationships between these management practices and subsystems. Additional details about the results from this phase of our research have been published and are available in both the trade (Garman, 2010) and peer-reviewed literature (Garman, et al. 2011).

## Case studies and business case analysis

Next, we conducted five case studies in United States health care institutions, selected on the basis of their reputations for having exemplary human resource practices. We used the case study format to explore the validity of the theoretical logic model that we developed as a result of our comprehensive literature scan, and to identify "best practice" examples of HPWPs in health care organizations. In addition, we used the case studies to investigate the financial and/or non-financial business case for health care organizations to invest in high-performance work practices. In total, we interviewed 67 key informants across 5 sites.

Case study sites were purposively selected, on the basis of these institutions' reputations as exemplars of innovative workforce practices and to reflect institutional variation along several dimensions (organizational size/structure, market/geography, and approach to human resources management). Data were collected through semistructured, in-depth interviews with 67 key informants (10–16 per site), including: human resources professionals, organizational leaders, clinical leaders, quality improvement professionals, information systems managers/directors, finance and accounting professionals, and select administrative and clinical personnel involved in HR practices. Using a semistructured interview tool, informants were asked to describe the following: history and organizational context for HPWP selection, adoption, and implementation; HPWP operations, business case for HPWP, evaluation and impact of HPWP on patient safety/quality of care; and recommendations/lessons learned.

## Key findings

- The majority of respondents were ***not familiar with the term "high performance work practices" (HPWPs)***.
- Informants at all sites agreed that ***personnel practices were critical drivers*** of organizational success.
- Across all sites, the ***link to outcomes*** was more intuitive than measurement-based, although people in several of the health systems reported that there was some correlation between the practices and organizational performance improvements (e.g., balanced scorecard results and employee satisfaction).

- The *focus on engaging staff was strong* in all five organizations, particularly around the issue of systematic communication's use for alignment of activities around mission, vision, goals, and objectives.
- A formal *organizing framework* (e.g., Lean, Six Sigma) was identified as an important approach to link employees and their work practices with quality and patient safety outcomes.
- None of the sites studied had completed a formal *"business case"* analysis to support investment in their HPWPs; however, most informants believed that the investment yielded both financial and nonfinancial benefits (e.g., regarding employee engagement and satisfaction, or organizational reputation).

Additional details about the results of our case studies have been published and are available in both the trade (McHugh, et al. 2010) and peer-reviewed literature (McAlearney, et al. 2011).

# Examples of "best practices"

Although there was considerable variation in how each case study site approached its workforce initiatives, there were some common HPWPs among these exemplars.  The tables below summarize these common practices and identify distinctive innovations associated with each of the HPWP subsystems in the analytic model.

*Subsystem #1:  Engaging Staff*

| *Common Practices* | *Distinctive Innovations* |
|---|---|
| • Formal mechanisms for communicating organizational mission, vision, values, or priorities to employees—e.g., scripted messages, "cascading" communication, employee intranet<br><br>• Employees involved in decisionmaking—e.g., employee councils, performance improvement teams<br><br>• Widespread use of employee recognition and rewards—e.g., for service tenure, customer service | • Annual signoff on mission as part of performance review<br><br>• Safety messages on all computer screensavers<br><br>• Use of peer safety coaches<br><br>• "Emmy Awards" to recognize employees |

*Subsystem #2: Aligning Leaders*

| Common Practices | Distinctive Innovations |
|---|---|
| • Leadership development for promising mid-level managers<br><br>• Management training curricula<br><br>• Use of performance management systems that link leaders' accountabilities to organizational objectives<br><br>• Use of performance-contingent compensation, especially for executives | • Emerging leader program<br><br>• Use of formal "talent management" systems to identify job candidates and current employees with high potential |

*Subsystem #3: Acquiring and Developing Talent*

| Common Practices | Distinctive Innovations |
|---|---|
| • Market-competitive salaries and benefits<br><br>• Extensive use of selective hiring practices—e.g., based on cultural fit, competencies<br><br>• Integration of selection and on-boarding as one process<br><br>• Focus on employee development, including for physicians | • Use of behavioral and/or peer-developed standards for selection<br><br>• Robust corporate "university" (training program) and/or formal relationships with area universities<br><br>• Physician Leadership Academy |

*Subsystem #4: Empowering the Frontline*

| Common Practices | Distinctive Innovations |
|---|---|
| • Emphasis on redeployment instead of layoffs<br><br>• Concerted efforts to support employees "speaking up" in situations with power differentials<br><br>• Use of shared governance models—e.g., nursing councils<br><br>• Widespread use of teams | • Use of trained/empowered "safety coaches"<br><br>• Team communication training<br><br>• Employee "innovation teams" to generate ideas for strategic growth<br><br>• Employee/management service teams<br><br>• Interventions for physicians with "bad behavior" |

# Conclusions

First, findings from our literature scan (Garman, et al. 2011) suggest that high-performance work practices can indeed influence quality and safety outcomes in health care organizations, and that the potential impact of these effects could be substantial. The HPWPs appear to have effects through various mechanisms, including the staff employed and their skill and motivation levels as they work in the organization. In addition, our findings suggest that considering the level and sophistication of HPWP use within health care organizations may help to explain differences in the relative success of organizational interventions designed to improve quality and safety, above and beyond the general factors of leadership commitment and organizational climate.

Second, findings from our case studies (McAlearney, et al. 2011) confirm the presence of HPWPs in exemplary health systems, and provide concrete examples of how HPWPs are applied in health care organizations. Informants in all case study organizations agreed that HPWPs were important drivers of organizational success. Further, the emphasis placed on the staff engagement subsystem of HPWPs was particularly interesting, as nearly all informants were able to describe how their organizations paid attention to these individual management practices.

The findings from this comprehensive research study are promising for both practitioner and academic audiences. From a practitioner perspective, our findings highlight the importance and potential impact of HPWPs in health care organizations, and provide direction about which best practices health care organizations might consider adopting. From an academic perspective, these findings lay the groundwork for future research to: (1) establish a more definitive link between HPWP and quality outcomes, and (2) provide further insight as to which of the practices will have the highest leverage for improving quality and safety in health care.

Additional information about this project can be found in both the peer-reviewed (McAlearney, et al., 2010; Garman, et al., 2011; McAlearney, et al., 2011) and trade (Garman, 2010; McHugh, et al., 2010) literature, with appropriate references provided below.

# References

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**Figure 1. Logic models and definitions**



**Organizational Factors**

Factors influencing HPWP adoption:
• Senior leadership support
• HR involvement with strategic planning
• Capabilities of the implementers
• Higher number of network affiliations
• Financial condition/slack resources
• Lower union density

Factors influencing HPWP impact & sustainability
• Quality of the local labor market
• Financial condition
• Continued leadership support

**HPWP Subsystem #1: Engaging Staff**
- Communicating mission and vision
- Information sharing
- Employee involvement in decisionmaking
- Performance-driven reward/recognition

**HPWP Subsystem #2: Aligning Leaders**
- Leadership training linked to organizational goals
- Succession planning
- Performance-contingent rewards

**Staffing**

Quality of candidate pools → Quality of hires →

**Care processes**

System reliability/resilience
- *Staff resources*
- *Staff effectiveness*

Capacity for continuous system improvement

**Outcomes**

Organization-Level Outcomes
• Higher quality
• Higher safety
• Higher efficiency

**HPWP Subsystem #3: Acquiring and Developing Talent**
- Rigorous recruiting
- Selective hiring
- Career development
- Extensive training

**HPWP Subsystem #4: Empowering the Frontline**
- Employment security
- Reduced distinctions in status
- Teams/decentralized decision-making

Employee-Level Outcomes
• Higher retention
• Higher engagement
• Higher resilience
• Higher skills
• Higher general well-being

Abbreviations: HPWP = high-performance work practices; HR = human resources

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