



PAN AMERICAN HEALTH ORGANIZATION  
WORLD HEALTH ORGANIZATION



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### **DEVELOPMENT AND STRENGTHENING OF HUMAN RESOURCES MANAGEMENT IN THE HEALTH SERVICES**

The issue of human resources and specifically, human resources management, has been absent from health sector reform agendas. The institutional capacity of health systems in the area of human resources management is inadequate not only for dealing with personnel problems in the health services but also for ensuring the institutional conditions that will enable personnel to assist in meeting the objectives of the health services and sectoral reforms through performance characterized by effectiveness, quality, and productivity.

Major changes in human resources management are needed at the conceptual, policy, and operational levels to develop and strengthen institutional capacity in the health services, so that human resources management is adopted as an essential public health function and can help to improve the performance of the health systems. This document summarizes the human resources management situation in the Region, its determinants, and the prospects for its development. To promote improvements in the human resources management function as part of the sectoral changes under way at the national and regional level, PAHO is proposing a series of strategies, actions, and operational tools through an initiative known as the Observatory of Human Resources in Health Sector Reform.

The Secretariat of PAHO presents this matter to the Subcommittee on Planning and Programming to request its attention, consideration, and support in order to proceed: 1) to strengthen the political will and technical capacity of the governments to give higher priority to human resources policies in general and, specifically, to develop and strengthen human resources management in the health services; and 2) to adopt regional initiatives for institutional development, such as the Observatory of Human Resources in Health Sector Reform, and furnish technical support to the countries through models, instruments, and methodologies that will help to upgrade their institutional capacity in this essential public health function.

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## **1. Introduction**

The issue of human resources and specifically, human resources management, has been absent from the health sector reform agendas in the majority of countries of the Region. Although it is common to hear that human resources are the essential element in health systems and a key factor in sectoral reform, it is difficult to find human resources issues, especially those related to management, addressed in the changes taking place in the health systems in almost all the countries of the Region.

In any health services system, it is health workers—professionals, technicians, and auxiliaries—who in the final analysis determine what services will be offered; when, where, and to what extent they will be utilized; and as a result, what impact the services will have on the health status of individuals. The success of health activities depends largely on the effectiveness and quality with which these resources are managed. Human resources management involves the theory, decisions, and interventions relevant to inherent processes in how human resources perform when delivering health care to the population through a specialized institution (health services), which is where they exercise their professions and fulfill the terms of their work contract.

The reality is that public health institutions are not adequately addressing the complex problems of staff performance in the health services (considered the most complex of social organizations). These institutions, which lack resources and are subject to rapid change, generally give low priority to this area and manage their human resources in a disjointed manner with little technical know-how. Moreover, they usually relegate this activity to a personnel office.

That is why, in this document, human resources management in health is understood as an essential public health function and not simply as “what personnel offices do.” For the same reason, the human resources management function corresponds to the entity that oversees a health services system, health care network, or health institution, in order to guarantee the proper conditions to apply human talent, for the utilization of the knowledge and technology necessary to meet the health needs of a population.

Sectoral reform processes currently have a considerable and varied impact on the development of the health sector’s human resources in all the countries. At the same time, problems can be observed in the performance of the health systems due to a lack of policies and technical definitions in the field of human resources, which limits the possibility of meeting reform objectives. The viability of certain institutional changes (such as the introduction of new health care models) is also a problem, given the lack of participation and support by health workers and/or the institutions responsible for their education.

The challenge to the Member States of attaining equitable, efficient, effective, and sustainable health systems geared to meeting the health needs of their populations makes integral human resources development an essential function of their institutional capacities.<sup>1</sup> Thus, institutional development for human resources management is one of the main variables for measuring adequate performance of the health systems. It is therefore imperative to strengthen this line of work in PAHO .

## **2. Current Status of Human Resources Management in the Health Services**

Given the serious challenges to the health systems posed by sectoral reforms, it can be stated that the current concept of human resources management and the existing institutional capacity are inadequate for solving the problems that arise and for helping to improve care—a situation that constitutes an obstacle to change and progress in the health system.

### **2.1 *Determinants of Human Resources Management in the Health Services***

Sectoral reforms are affecting staff performance in the health services, as well as the working conditions and labor relationships that influence that performance. Nonetheless, the additional impact of the State reforms cannot be ignored, nor can the corresponding changes in public administration in many countries resulting from cutbacks in staffing and regulatory changes that, among other things, are opening up new, flexible modes of public employment.

On the other hand, it is impossible to assess the employment situation and trends in the health sector without considering the general employment situation and labor reforms in the countries. The economic adjustment processes in the countries of the Region and the efforts to open their economies have had a serious impact on the working population in general and health workers in particular—an impact that has not been duly documented or evaluated. The informal sector of the economy has been growing in virtually all the Latin American countries, along with the concentration of labor in the service sectors. This has been accompanied by greater demand for more highly qualified workers.

In addition, changes in the regulations governing the opening of schools and educational programs, the reforms in higher education, and the new relationship between the State and the public university (aimed at redefining the financing and functions of that institution in society and the economy) have led to major changes in institutional policy and management that are affecting professional and technical education.

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<sup>1</sup> PAHO. Progress of Activities in Health Sector Reform. CD39/13. 39th Directing Council, Washington, D.C. September 1996.

Some reform processes have substantive implications on the work content, working conditions, and labor relations of human resources in the health services (Table 1).

**Table 1. Impact of the Reforms on Management of Human Resources in Health**

Substantive processes in the reforms	Implications for the management of human resources in health
<ul style="list-style-type: none"> <li>• Decentralization</li> <li>• Changes in the ministries: functions and structures</li> <li>• Changes in financing and payment modalities</li> <li>• New management modalities: outsourcing, procurement of services, autonomy of services</li> <li>• Changes in the health care models at the basic and complex levels</li> <li>• Expansion of coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Greater problem-solving capacity within the institutions</li> <li>• Changes in functions and new competencies</li> <li>• Demand for quality and productivity</li> <li>• Changes in the organization of the work and the formation of teams</li> <li>• New hiring modalities</li> <li>• Emphasis on performance and its evaluation</li> <li>• Changes in incentive systems</li> <li>• Regulation of human resources development processes</li> </ul>

Some determinants of the sectoral change processes have a positive or negative impact on human resources in health and, in practice, define the social and institutional dynamic for staff performance, thereby affecting human resources management.

- Decentralization of the health services. In virtually all the countries, decentralization of the health services implies the transfer of functions, decision-making, and resources to the intermediate and local levels, which can affect all processes linked with human performance. Decentralization poses the most urgent and significant change and development challenges for human resources management.
- In many countries the labor and education markets are not regulated by the State. Nevertheless, there is no evidence of adequate self-regulation as a substitute for the lack of State regulation, generating distortions and disequilibrium in the supply and distribution of human resources.

- Flexibility in labor relations. In a generic situation of stagnation or cutbacks in public employment in the sector, there is an observed trend towards flexibility in certain work situations, with a clear growing tendency toward short-term employment and other atypical forms of hiring. This flexibility results in a lack of job protection in hiring modalities.
- Lack of resources. Many countries lack the financial resources to raise wages, meet new staffing needs, and improve performance in the health services. For this reason, while expenditures on wages may account for as much as 70% of the budget in the public health services, wages are far from satisfactory or competitive.
- Improvements in quality, efficiency, and productivity. There is a growing demand throughout the Region to improve the quality, efficiency, and productivity of the health services provided by the various social actors involved in the delivery of care. These actors are true social forces in health care and one of the greatest challenges for human resources management.
- Organizational changes. Nearly all the countries are promoting organizational changes to deliver integrated quality care to the population and overcome the management rigidities that alter the conditions affecting the performance of human resources and require change. Several countries in the Region have introduced significant changes in their models of care, with participatory management modalities in the services, commitments between management and staff, self-managed services, the adoption of managed care modalities, the outsourcing of services to provider cooperatives or third parties, and the expansion of private financing institutions (prepaid plans). Given this gamut of changes, a number of questions must be asked: What impact do these changes have on individual performance and on care to the population? What do they imply for human resources management? Do they foster improvements in quality and productivity? How do they affect working conditions?

## **2.2 *Principal Problems in Human Resources Management***

It can be stated that, in the long term, there is an overlapping of two management agendas: the old agenda, corresponding to a regulatory model in which labor relations are stable, protected, and based on career positions that last indefinitely; and a new agenda, corresponding to a new regulatory model characterized by flexibility in labor relations. The old agenda involves issues, situations, and problems that personnel administration could not or did not know how to resolve and persist to the present day. The new agenda entails new problems and issues arising from the changes wrought by the reforms (Table 2).

**Table 2. Dual Agenda for Human Resources Management in the Health Services**

Old agenda	New agenda
<ul style="list-style-type: none"> <li>• Disequilibrium in the availability, composition, and distribution of the work force</li> <li>• Inadequate management and performance evaluation</li> <li>• Ineffective management of the compensation and incentive systems</li> <li>• Fragmentation of work processes</li> <li>• Repetitive centralized training with a dubious impact</li> <li>• Lack of motivation, coupled with absenteeism and low participation</li> <li>• Outdated and rigid regulations</li> <li>• Limited technical capacity</li> <li>• Low visibility and lack of political priority</li> </ul>	<ul style="list-style-type: none"> <li>• Human resources management in the public sector: has ceased to be administered exclusively by its own personnel</li> <li>• Decentralized management</li> <li>• Management of quality and productivity</li> <li>• Rising trend toward flexible employment</li> <li>• Complex management: coexistence of diverse types of labor contracts for similar occupational categories</li> <li>• Trend toward cutbacks in public employment</li> <li>• Competition for financial resources and personnel</li> <li>• Need to adapt, modernize, and simplify personnel administration</li> </ul>

There is no longer room in the health services to continue solely with a personnel administration function devoted to the recording and monitoring of the regulated aspects of the administrative cycle and the career path of the services' stable, in-house staff. The changes in the public services implied by the reforms have transformed the institutional conditions for management, producing a dramatic shift in the orientation, objectives, and content of human resources management.

### **2.3 *Lack of Information for Human Resources Management***

A common situation is the inadequacy of human resources information systems at all levels of health services systems. Pertinent, timely, and quality information for decision-making in human resources management is scarce. At the same time, there is little technical capacity in the units responsible for this function at all levels, reflecting the low priority given to human resources issues and problems.

### **3. Actions Necessary for Institutional Strengthening in the Management of Human Resources in Health**

What can be done about this situation? How can the challenges stemming from poor human resources management be met? Each health system must resolutely undertake a number of urgent tasks; other tasks can be accomplished through a cooperative effort between the countries and the institutions responsible for human resources management. Certain processes and activities are in place to strengthen the institutional capacity of health systems in three dimensions of human resources management: the conceptual dimension, the policy dimension, and the operational dimension.

#### **3.1 *Conceptual Dimension***

It is necessary to promote the adoption of new concepts of human resources and human resources management in the health services. The vision of limited personnel administration with traditional staffing—a vision that can still be found in many health services and not a few courses and master's degree programs in public health—is no longer valid. It is necessary to move beyond this paradigm and develop a new type of human resources management based on the idea of proactive subjects from the complex social and institutional processes that constitute health care.

The performance of human resources depends on the application of knowledge and technology. Every health activity or intervention is based on knowledge, and its protagonists are human resources skilled in the application of that knowledge. Thus, human resources should be considered the intellectual capital of a health organization or health services system.

#### **3.2 *Policy Dimension***

Human resources management in the health services is one of the interventions (together with regulation and planning) that requires execution of the policies governing human resources in health. Regulation mediates the rules of the game and interests among the institutions and actors working in education, professional practice, and the labor markets. Planning foresees and defines the criteria for the quantity and quality of human resources as a function of the services' needs. Human resources management ensures effectiveness and quality in staff performance to meet the services' objectives.

Human resources management must be evaluated and practiced as an important part of the overall management of health services, as an essential public health function.<sup>2</sup> Human

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<sup>2</sup> PAHO. Essential Public Health Functions. CD42/15. 42nd Directing Council of PAHO. Washington, D.C. September 2000.



resources management should be based on the decisions of the management team and not just those of the personnel office or training unit. This is even more urgent considering the importance of human resources for the viability, feasibility, and sustainability of the changes in the management of services and models of care introduced by the sectoral reforms. A precondition for ensuring the adoption of human resources management as an essential function is that the health authority integrate the various dimensions and interventions of human resources management into a single strategic vision.

### **3.3 *Operational Dimension***

It is essential to redefine the areas of competence in human resources management to adapt them to a different concept of human resources, a modern vision of performance management in institutions, and the demands of the changing reality of health systems and services, particularly decentralization. Annex A contains a table of proposed competencies for human resources management in the health services.

## **4. Cooperation Strategy**

Technical cooperation to develop and strengthen human resources management in the health services is part of both the cooperation to improve the performance of health services systems and the support provided to the health sector reform processes. Thus, the aim is to help the countries strengthen the steering role of the health authority<sup>3</sup> and build national capacity to exercise the essential public health functions to the fullest.

Human resources management is key to improving the quality of care and reorienting health services based on health promotion criteria. A new generation of health sector reforms centered around the health of the people should propose human resources management as a condition to enable a greater contribution to the achievement of that objective.

Technical cooperation to develop and strengthen human resources management focuses on building institutional capacity in the health services. Initially, many of the cooperation efforts will be geared to developing a critical mass of sector managers with a new vision of human resources and generating adequate performance levels in the responsible units. This strategy involves related, mutually supportive actions at the country level and between countries through a regional initiative for joint capacity-building known as the Observatory of Human Resources in Health Sector Reform.

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<sup>3</sup> PAHO. Steering Role of the Ministers of Health in the Health Sector Reform Processes. CD40/13. 40th Directing Council of PAHO. Washington, D.C. September 1997.

#### **4.1 *Strategies at the Country Level***

- Articulation of human resources management with health services management by promoting new practices and management styles, and the integration of objectives and strategies.
- Actions aimed at decentralized development and institutional strengthening: creation of human resources management units (essentially, the training of health service managers and in-service and distance training for management teams).
- Development and transfer of instruments of proven effectiveness.
- Updating and simplification of regulations.
- Development of information systems: design of appropriate systems and improvement in the capacity for data analysis.
- Dissemination of relevant information on good practices to support and improve daily performance in the human resources management units.

#### **4.2 *Regional Strategy: Observatory of Human Resources in Health Sector Reform***

The inadequacy of the information systems on management and human resources development led PAHO to design and implement the Observatory of Human Resources in Health Sector Reform. This is a cooperative organization of national, interinstitutional, and intersectoral groups, promoted and coordinated by the ministries of health and the PAHO/WHO Representative Offices, to study the situation and trends with respect to human resources in health and to generate relevant information for policy-making, planning, regulation, and human resources management. The Observatory proposes and provides technical support for the production of a set of core data on human resources in each country; designs and supports comparative studies of general interest and training actions; mobilizes the exchange of experts between countries; and disseminates relevant information on existing problems.

Its purpose is to assist in the development of human resources policies and in the evaluation and monitoring of human resources development in the sectoral reform processes, in fulfillment of the mandate received by PAHO at the Summit of the Americas in Miami in 1994. This initiative was launched in June 1999, and 12 countries of the Region are currently participating: Argentina, Bolivia, Brazil, Chile, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Jamaica, Mexico, Panama, and Peru.

The country Observatories target the processes related to human resources in health for study and intervention. They generate knowledge and information on processes (labor, professional and technical education, and in-service training for personnel), policies, regulations, and specific management interventions. However, it must be said that, owing to the sectoral realities it faces, this initiative is generating greater information on performance problems due to the changes introduced by the reforms—problems that are generating serious concern among leaders in the sector.

#### **4.3 *Other Available Instruments for Capacity-building in Human Resources Management***

In recent years PAHO and WHO have also worked on developing concepts, models, and instruments for strengthening the contribution of human resources in the health systems and improving working conditions (Annex B).

### **5. Financial Implications**

The Program on Human Resources Development has two new regional consultants for technical cooperation in human resources policy and management. The Secretariat allocated US\$59,000 in regional funds for technical cooperation for the biennium 2000-2001 and has programmed \$120,000 for cooperation in human resources management for the biennium 2002-2003.

Additional funds will be required to implement the proposed strategy; these should be mobilized from other sources as extrabudgetary funds. To ensure a significant regional impact, a major part of the activities in training, information systems development, and regulatory simplification should take place in the decentralized agencies, which are those that most require actions of this type.

### **6. Key Questions for Deliberation**

Arguments have been made in favor of a regional initiative by the Organization to emphasize the importance of human resources in sectoral reform agendas and to adopt human resources management as an essential function in the overall management of the health systems. More specifically, the arguments call for working to increase human resources management capacity in health services networks and institutions. With this in mind, the following talking points are suggested for the Subcommittee on Planning and Programming:

What institutional mechanisms and instruments in each country could be used to ensure that the directors of the health systems give due importance to human resources,

promote the definition of policies, and strengthen the capacity for sectoral intervention in planning, regulation and human resources management? What actions would be needed to broaden country participation in the Observatory initiative and strengthen its action at the regional level?

The objective of each country developing human resources management practices as an essential public health function requires political will, greater technical development, and cultural change that will redefine the role of human resources in health services management. In the context of sectoral change such as that of today, what is most urgently needed to make effective human resources management an integral part of the management of the health services system? How can methodologies and instruments for human resources management be improved to build institutional capacity? And at what level of the health system should efforts be concentrated to strengthen institutional capacity in human resources management?

#### **7. Actions Requested of the Subcommittee on Planning and Programming**

The attention, orientation, and support of the Subcommittee on Planning and Programming are requested so that the Secretariat can proceed to:

- Engage the interest and will of political authorities in the sector to give higher priority to human resources policies and, specifically, to a greater development and strengthening of human resources management in the health services, within the framework of the significant changes underway in the sector.
- Give greater impetus to the development of regional initiatives such as the Observatory of Human Resources in Health Sector Reform and models, instruments, and methodologies that will help to build institutional capacity in the health systems through human resources management in the health services.

### Competencies of Human Resources Management in the Health Services

Competencies	Areas of Competence and Activities
Analysis of the human resources situation, identification of human resource and programming	Includes: a) data collection, analysis, and determination of the overall human resources situation (availability, composition, structure, and distribution of human resources; the output of human resources by educational institutions); b) comparison with a particular pattern or standard to identify gaps and needs (which can be determined using the best available methods, based on the characteristics of the health services system and the possibility of obtaining information); c) Identification of problems and qualitative and quantitative needs for human resources (in consultation with the authorities and relevant actors in the health services system); d) preparation of a plan to procure the most appropriate human resources to meet the identified needs.
Staffing	Ensures that the health system obtains a sufficient supply of human resources (in all the necessary occupational categories) to meet its objectives, as budgetary resources permit. Includes personnel from the labor market, as well as personnel that is needed but not available in the labor market and who must be trained by educational institutions.
Performance management	Its objective is to optimize the productivity and quality of human resource performance in the health services. It includes interventions for performance management as such (ways of organizing the work, technology management, formation of work teams, use of incentive systems) and ways to evaluate this performance.
Management of labor relations and personnel administration	Ensures proper management of work contracts, remuneration systems, conditions for the social protection of workers (which includes career appointments, incentive systems, relations between the employer and employees, collective working relationships—unions, collective bargaining), and the search for effective communication modalities between administration and personnel, as well as ways to enable staff participation in key decisions that affect their performance with the resulting benefit to the population.

Development and training of human resources	Ensures that all human resources in a health system are properly qualified and motivated. Includes interventions that range from the ongoing identification of educational needs, the definition of work competencies, curriculum development, instructional design, education in the most effective and suitable modalities to meet the established objectives, and evaluation of the competencies acquired. It is a valuable strategy for improving performance and for changing the practices and attitudes of human resources.
Assurance of working conditions, safety, and the work environment	Ensures the proper environment, conditions, and modes of work organization to counteract the potentially negative impact of the nature of health work on the health of the staff themselves. Most risks can be minimized with adequate precautions and preventive interventions that emphasize occupational safety and health promotion for employer and employee alike.

**Instruments and Methodologies to Support Management of the Available Human Resources in the Health Services**

Competencies of human resources management in the health services	Instruments and available methodologies developed by PAHO/WHO	Remarks – Sources
1. Analysis of human resources situation, identification of human resource needs and programming	Set of core data on human resources.	Observatory of Human Resources in Health Sector Reform.
	Guide for optimizing utilization of the available information on employment in the health sector. Observatory of Human Resources in Health Sector Reform.	Labor relations in the health sector. Sources of information and analytical methods. Series: Observatory of Human Resources 2 PAHO, 2000.
	Tool Kit for preparing supply and demand projections of human resources in health	Author: Thomas Hall, WHO, Geneva.
	Performance analysis manual for the health team.	PAHO. Fundação Getulio Vargas, Rio de Janeiro, Brazil, 2000.
	Management information system, programs in the <i>WINSIG</i> version.	PAHO. HSO/HSP. Program on Organization and Management of Health Systems and Services.
	Information and management system for human resources in health (SIGRHS).	Institute for Social Medicine, State University of Rio de Janeiro.
2. Staffing	Workload indicators of Staffing Need (WISN). A manual for implementation.	Author: Peter Shipp, WHO, Geneva, 1998

3. Performance management	Manual for performance analysis of the health team.	PAHO. HSP/HSR. Fundación Getulio Vargas, Rio de Janeiro, Brazil, 2000
	Guidelines for introducing human resources indicators to monitor health service performance.	Peter Hornby and P. Forte, WHO, Geneva, 2001
	Methodological guidelines for the analysis of remuneration and incentives systems for human resources in the health sector.	Labor relations in the health sector. Information sources and analytical methods. Series: Observatory of Human Resources 2. PAHO, 2000.
	Manual on competency-based management of human resources.	PAHO. HSR/HSP, 2000 PALTEX (in press).
4. Management of labor relations and Personnel Administration	Methodological guidelines for the analysis of collective labor relations in the health sector.	Labor relations in the health sector. Information sources and analytical methods. Series: Observatory of Human Resources 2. PAHO, 2000.
5. Human resources development and training	Manual on management of in-service education.	PAHO. HSR/HSP, 2000 In press.
	Manual for competency-based educational programming.	In development by PAHO and CINTERFOR/ILO.
	Program on Training in Human Resources Development (CADRHU).	PAHO, Brazil.
	Training Manual on Management of Human Resources for Health.	WHO, Geneva.
	Decentralized management of human resources. Distance learning program.	Program developed by PAHO and a network of educational institutions and services, for the INTERNET.
6. Assurance of working conditions, safety, and work environment	Unavailable.	An interdivisional initiative between HSP and HEP is under way to develop a line of cooperation in this regard.