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**BUILDING CAPACITY IN HUMAN  
RESOURCES MANAGEMENT FOR HEALTH  
SECTOR REFORM AND THE  
ORGANIZATIONS AND INSTITUTIONS  
COMPRISING THE SECTOR**

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## **1. INTRODUCTION**

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**Health sector reform is the systematic redesign of the role of the public sector in the organization, provision and financing of health services and the design and implementation of the structures and financing strategies needed to effect these changes (Rosenthal).**

**The goal of health sector reform is to improve the equity, effectiveness, efficiency and sustainability of the health sector and the organizations and institutions that comprise it. Improving equity involves reducing the differences that exist in access to quality health care and health outcomes for groups of people throughout a country. Equity in health services also means receiving care in proportion to need. Improving effectiveness means providing high quality health services that have an impact. Improving efficiency implies a favorable relation between the outcomes obtained and the cost of the resources utilized. Improving sustainability means establishing institutional arrangements and capacity to solve problems of legitimacy, financing and health services relevance and to continue a course of sound organization, programmatic and financial management that assures future development and the continuity of relevant, needed, socially accepted health services delivery (Regional Forum on Provider Payment Mechanisms, LAHRSRI, 1998)**

**Latin America and Caribbean countries are embarked on efforts to reform and revitalize their health sectors. In some cases the impetus for health sector reform comes from overall government modernization efforts. In other cases, reform efforts have begun from within the health sector itself.**

**Numerous organizations and projects are supporting national health sector efforts, among them national governments and other national organizations, international health organizations, banks and donors. The Latin American and Caribbean Health Sector Reform Initiative (LAHRSRI) is a project designed to support national reform processes aimed at promoting more effective basic health services in 13 priority countries in the Latin American and Caribbean (LAC) region. The LAHRSRI is a five year initiative (1998-2002) supported by the United States Agency for International Development (USAID) and the Pan American Health Organization (PAHO) and implemented by PAHO and USAID funded projects including Family Planning Management Development (FPMD)/Management Sciences for Health (MSH), Partners for Health Reform (PHR)/ABT Associates and Data for Decision Making (DDM) at the Harvard School of Public Health**

**The overall goal of the initiative is to strengthen regional capacity for health sector reform by:**

- 1) Providing methodologies and tools to enhance public sector-NGO interaction in health sector reform planning and implementation, strengthen health finance decisions and improve policy analysis and planning;**
- 2) Gathering and disseminating information on national health reform efforts;**
- 3) Monitoring reform processes and outcomes by developing and implementing tools; and**
- 4) Helping countries share experiences**

**This technical brief focuses on the relationship between human resource management and health sector reform. The people who work in the health system are the greatest asset of the health sector and of each of the organizations. Employees are key to the delivery of health services and any health program.**

**salaries and benefits of people working in the health organizations constitute the majority of the budget of those organizations.**

**management sciences for health (MSH), one of the partners in the initiative, has worked with decision makers in different countries improving the management of and access to health services. MSH has learned that improved management makes a positive difference in effectiveness, efficiency and sustainability of health services and a positive difference in health sector reform. In conducting overall management assessments of NGOs and public sector organizations and working with these organizations to improve management practices and systems, MSH has found that human resources management, a key area of management and leadership, is often neglected and misunderstood and frequently in need of improvement.**

## **2. WHY HUMAN RESOURCE MANAGEMENT IS IMPORTANT TO HEALTH SECTOR REFORM**

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**HUMAN RESOURCE MANAGEMENT CAN BE SUMMED UP AS THE INTEGRATED SET OF ROLES, FUNCTIONS, DECISIONS, SYSTEMS AND PROCESSES IN AN ORGANIZATION THAT MEET THE NEEDS AND SUPPORT THE WORK PERFORMANCE OF EMPLOYEES IN ORDER TO ACCOMPLISH THE MISSION, GOALS AND STRATEGIES OF THE ORGANIZATION.**

**HRM DEALS WITH HIRING AND FIRING EMPLOYEES, STAFF DEVELOPMENT AND PAYING SALARIES. HRM PLANS AND IMPLEMENTS EFFICIENT PROCESSES, POLICIES AND PROCEDURES FOR THE WORK FORCE IN THE ORGANIZATION, SUCH AS RECRUITMENT, HIRING AND JOB PLACEMENT, PLANNING AND APPRAISING EMPLOYEE PERFORMANCE, REWARDING AND PROMOTING STAFF. HUMAN RESOURCES MANAGEMENT ALSO PROVIDES SUPPORT FOR THE NEEDS, CONCERNS, AND PROBLEMS OF EMPLOYEES AND IDENTIFIES WAYS TO INCREASE STAFF COMPETENCE AND COMMITMENT. IN THIS ERA OF RAPID AND CONTINUOUS CHANGE, HUMAN RESOURCES MANAGEMENT IS ONE OF THE ORGANIZATIONAL DOMAINS THAT CAN PROVIDE SUPPORT FOR EMPLOYEES DURING INTERNAL CHANGE PROCESSES AND HELP MANAGERS AND LEADERS IDENTIFY AND IMPLEMENT PROCESSES FOR CHANGE (ULRICH, 1997).**

**THE EFFICIENT AND EFFECTIVE MANAGEMENT OF HUMAN RESOURCES IS AN ESSENTIAL COMPONENT OF A HIGH PERFORMING HEALTH SYSTEM AND CAN INFLUENCE THE SUCCESS OR FAILURE OF HEALTH SECTOR REFORM AND DIFFERENT ORGANIZATIONS OR INSTITUTIONS. HEALTH SECTOR REFORM PROCESSES HAVE PAID SOME ATTENTION TO ANALYZING EXISTING PERSONNEL IN THE HEALTH SYSTEM, PROJECTING HUMAN RESOURCE (HR) NEEDS IN A REFORMED HEALTH SECTOR AND CONSIDERING THE TRAINING AND DISTRIBUTION OF THESE RESOURCES.**

**HOWEVER, PLANNING FOR HUMAN RESOURCE NEEDS IN THE HEALTH SECTOR AND TRAINING DO NOT ENSURE THAT THESE HUMAN RESOURCES WILL BE STRATEGICALLY IDENTIFIED, RECRUITED AND POSITIONED BY HEALTH ORGANIZATIONS AND WILL WORK EFFECTIVELY AND EFFICIENTLY IN INSTITUTIONS THAT HIRE THEM. IT DOES NOT ENSURE THAT EMPLOYEES WORKING IN THE SYSTEM WILL RECEIVE SUPPORT AND MOTIVATION TO PERFORM AT THE HIGHEST LEVEL AND WILL BE TREATED FAIRLY. IT ALSO DOES NOT ENSURE THAT EMPLOYEES WILL ACHIEVE RESULTS IN THE WORKPLACE AND SUCCESSFULLY ADAPT TO AND PARTICIPATE IN CHANGE AS IT OCCURS.**

**HEALTH SECTOR REFORM MUST BE CONCERNED NOT ONLY WITH THE PLANNING OF THE WORKFORCE BUT ALSO WITH THE CONTINUAL MANAGEMENT AND DEVELOPMENT OF THIS WORKFORCE WITHIN THE HEALTH SYSTEM (MARTINEZ AND MARTINEAU, 1998). THE STRATEGIC MANAGEMENT OF HUMAN RESOURCES IN EACH INSTITUTION AND THE DAY TO DAY SUPPORT, ENCOURAGEMENT, DIRECTION, PERFORMANCE MONITORING AND SUPERVISION THAT THEY RECEIVE ARE CRITICAL.**

**THE PERFORMANCE OF THE HEALTH SECTOR IS THE SUM OF THE PERFORMANCE OF INDIVIDUAL PERFORMERS AND GROUPS OF PERFORMERS IN EACH ORGANIZATION THAT COMPRISE THE SECTOR. UNLIKE THE PHYSICAL ASSETS OF AN INSTITUTION, HUMAN CAPITAL WHICH IS THE CAPABILITY OF THE WORKFORCE AND ITS WILLINGNESS AND COMMITMENT TO WORK, IS AN ASSET THAT, WITH THE PROPER SUPPORT, CAN APPRECIATE. THE OPINIONS AND PERCEPTIONS THAT CLIENTS AND THE COMMUNITY HAVE OF A HEALTH SERVICES DELIVERY ORGANIZATION DEPEND ON THE ORGANIZATION'S EMPLOYEES. COMPETENT STAFF IN AN ORGANIZATION CONTRIBUTE TO EFFICIENT AND EFFECTIVE ORGANIZATIONAL PERFORMANCE. HUMAN RESOURCES MANAGEMENT IN THE PARTICULAR AREA OF MANAGEMENT IN AN ORGANIZATION EXPLICITLY CHARGED WITH PEOPLE NEEDS AND THE PRIORITIES OF EMPLOYEES IN THE ORGANIZATION.**

**IN HEALTH SECTOR REFORM THE ROLE AND CORE FUNCTIONS OF THE PUBLIC SECTOR SHIFT FROM A PRIMARY FOCUS ON THE DIRECT PROVISION OF PERSONAL HEALTH SERVICES TO A MORE CLEARLY ARTICULATED NORMATIVE ROLE THAT**

combines health needs assessment and surveillance, policy making, regulatory, financing functions with the assurance of the delivery of quality personal health services and population based services. This shift creates shifts in roles and functions for other organizations in the sector. These changes bring about changes for people working in the health sector (e.g., in the ministry of health, social security institutions, NGOs, private, for profit organizations) as well as those working in organizations and institutions dedicated to developing people for the health sector (e.g., universities and other training programs).

At the sector and organizational level, some of these changes impacting people may include:

- new organizational structures that are more responsive to achieving organizational goals, strategies and functions
- reconfigured work forces
- discussions and negotiations with labor unions
- civil service reform
- the need for new and different staff competencies in public sector organizations and NGOs,
- new compensation arrangements
- new or reprofiled job positions
- new supervisory relationships
- job transfer and loss on some occasions
- training and performance improvement efforts and
- reengineered management systems, processes and procedures.

Up to date accurate information on HR resources and sound, well functioning HR systems, processes and practices at the institutional level are essential for health sector reform planning and implementation and the accomplishment of health sector goals.

The examples below illustrate what planners, leaders and managers require during the reform process:

### **1. Information about the health sector workforce in each institution, especially the public sector organizations.**

Planners, policy makers and leaders of institutions need up to date, accurate data on employees in the national health ministry and social security institution, NGOs and private for profit organizations in order to plan and implement changes in a rationale, efficient and humane way. They need to know what human resources exist and they need information about the capacity of this workforce. Planners require information on numbers of employees, their salaries, positions held, professional qualifications, managerial and supervisory experience, training received, their capacities, their professional development needs, and their seniority and contract terms. Unfortunately, this data is sometimes not readily available, accurate or up to date.

### **2. Information and analysis on personnel costs**

Personnel costs consume the majority of the budget in health services organizations. During the health sector reform process, policy makers and institutional leaders review overall health care costs and health sector budgets. Information on the cost of personnel in the system and compensation arrangements is needed..



**3. INFORMATION ABOUT LABOR LAWS AND REGULATIONS, THE EXISTING PERSONNEL POLICIES OF EACH INSTITUTION, UNION CONTRACTS AND CIVIL SERVICE POLICIES AND REGULATIONS.**

Planners must be knowledgeable about national labor laws and the prevailing civil service system. They must be well versed in best practice for reforming these types of systems. They must be aware of union contractual terms. They must act in compliance with labor laws. They need to consider the effects of planned health sector reform policies and strategies on the workforce. Planning teams should include HRM professionals who can bring this critical information to the discussion table and help reformers plan ahead.

**4. THE CAPACITY TO UNDERSTAND THE NEW JOB COMPETENCIES NEEDED AND DEVELOP NEW STAFF ROLES AND TRAINING FOR EMPLOYEES.**

The roles, functions and strategies of organizations and institutions often change in the process of health sector reform. This cascades down into new roles and functions for departments and other administrative and technical units, teams and individual employees in organizations and institutions in the sector. New structures, processes, procedures, skills and knowledge may be needed. Staff with new roles and responsibilities must be given the tools with which to work. Supervisors must also be trained.

These shifts in roles and responsibilities are not confined to the public sector. When public functions change, there are changes in other parts of the health sector. If, for example, the public sector decides to contract with the private sector to deliver primary health services in targeted urban and rural areas in the country in order to increase access to health services, new systems and processes and trained people must be in place to plan and oversee the contracting and monitoring process. Similarly, people must be in place in the private sector to manage the contract, coordinate with the public sector and deliver the health services.

**5. LEADERS AND MANAGERS AT VARIOUS LEVELS OF ORGANIZATIONS.**

To bring about system wide changes good leaders and managers are needed at all levels. Proper recruitment and selection as well as training and coaching support to identify and develop these leaders and managers is needed.

**6. MECHANISMS FOR IMPROVING ORGANIZATIONAL AND EMPLOYEE PERFORMANCE AND IMPROVEMENT IN WORK PROCESSES.**

The success of health sector reform is tied to improved performance of the sector and the institutions and organizations that comprise it. Performance improvement does not automatically occur as a result of establishing new policies and new core roles and functions of institutions within the sector. Managers must create an infrastructure for continuous performance improvement in each organization. They must use an appropriate set of methods, procedures and strategies that consider the institutional context, analyze current performance and desired performance, delve into underlying causes of performance gaps, design, select and implement appropriate interventions and evaluate change in performance.

Typically when a performance problem is detected in an organization, training is the proposed solution, when in fact, most performance problems are not due to lack of training. Interventions for enhancing

performance may include human resource development, new organization communication systems, better performance support systems (e.g., performance planning and evaluation, supervision, coaching, etc.), new organizational design and development, new financial or management information systems, organizational planning and new work processes and procedures.

#### **7. Information about performance based contracts and incentives and capacity to develop the necessary systems.**

Under health sector reform, institutions may be called upon to consider new policies such as short term contracting or performance based contracts with incentive structures. Short term contracting and compensation arrangements are now beginning to appear along side full time or part time job positions with longevity and institutional entitlements ranging from health benefits to pensions.

These arrangements require careful technical and fiscal planning, attention to labor laws and often negotiations and discussions with unions. Compensation or incentives based on performance require a fair, well planned and implemented performance planning and evaluation system that objectively documents performance in an on going fashion.

#### **8. Change management processes in place.**

Health sector reform implies changes, changes which impact people who work at all levels in the health system. Institutions and people must be prepared for change and managers, leaders and HR professionals must be capable of managing change. These changes may include re profiling jobs or new organizational structures in which people are thrust into new decision making and supervisory roles. They may involve new work teams or cutting or limiting hiring of public sector employees. People contracted through traditional public sector system mechanisms may find themselves working along side people who are contracted differently. Work processes norms and procedures may change requiring people to learn a new way of doing things.

Such change may viewed as threatening. Employees may or may not be in agreement about the need for and direction of change. The changes may result at least temporarily in worry, fear and insecurity among the workforce, breakdown in employee morale and a dip in productivity. Tensions may arise among public sector leaders, employees and unions with unions and employees concerned that their jobs may be eliminated or out sourced.

#### **9. Performance management and supervision systems.**

Individual and team performance must be supported in many ways including performance reviews, supervision, coaching and mentoring, job aids and staff development.

A sound well functioning HRM department and system supports health sector reform processes by having the capacity to respond to these 9 points above. Without the requisite HRM capacity, reforms may be stymied. The reform process may be an ideal time for management strengthening.

In the sections of this report that follow, the objectives, methodology and findings of an assessment of human resources management capacity in a small number of health services organizations in Latin America will be reviewed. The report will also discuss cutting edge concepts and practices in HRM in order to provide the reader with a broader perspective of HRM and make recommendations on

**strengthening human resource management at the health sector and organizational level throughout the region. The final section of the report include conclusions and next steps.**



## **3. OBJECTIVES AND METHODOLOGY**

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### **3.1 Objectives**

The specific objectives of this technical brief are to:

**ANALYZE the current status of human resource management in a select number of health services organizations in Latin America;**  
**ON the basis of the findings, discuss the importance of a strong, integrated HRM system to the successful planning and implementation of health sector reform and organizational capacity in public sector organizations and NGOs;**  
**make recommendations about ways to strengthen the role and practice of HRM in health institutions in Latin America and the Caribbean in order to enhance health sector reform as well as organizational capacity.**

### **3.2 Methodology**

Data was collected on current HRM systems in selected LAC NGOs, through the application of the MSK Human Resources Development (HRD) Assessment Tool. The Human Resource Development (HRD) Assessment Tool is intended to provide users with a rapid assessment tool to identify the characteristics and capacity of an organization's human resource system and help users form an action plan for improving the human resource system in the organization (The Manager, 1998). The instrument itself consists of a matrix that includes:

- **twenty one human resource components that fall within six broad areas of human resources management. These six broad areas represent the core functions of a human resource management system, including HRD capacity; HRD planning; personnel policy and practice; HRD data; performance management and training**
- **four stages of development of human resource management**
- **characteristics that describe each human resource management component at each stage of development**
- **blank spaces for users to describe the indicator (s) that show that the organization fits a particular stage of development**

The human resource components assessed by the HRD Tool include:

**HRD Capacity**  
**HRD Budget**  
**HRD Staff**

**HRD Planning**  
**Organizational Mission/Goals**  
**HRD Planning**

## **PERSONNEL POLICY AND PRACTICE**

**JOB CLASSIFICATION SYSTEM**  
**COMPENSATION AND BENEFITS SYSTEM**  
**RECRUITMENT, HIRING, TRANSFER, AND PROMOTION**  
**ORIENTATION PROGRAM**  
**POLICY MANUAL**  
**DISCIPLINE, TERMINATION AND GRIEVANCE PROCEDURES**  
**RELATIONSHIPS WITH UNIONS**  
**LABOR LAW COMPLIANCE**

## **HRD DATA**

**EMPLOYEE DATA**  
**COMPUTERIZATION OF DATA**  
**PERSONNEL FILES**

## **PERFORMANCE MANAGEMENT**

**JOB DESCRIPTIONS**  
**STAFF SUPERVISION**  
**WORK PLANNING AND PERFORMANCE REVIEW**

## **TRAINING**

**STAFF TRAINING**  
**MANAGEMENT AND LEADERSHIP DEVELOPMENT**  
**LINKS TO EXTERNAL PRE-SERVICE TRAINING**

The four stages of development on the tool matrix refer to the different stages of development that organizations evolve through as they grow, strengthen and mature. Organizations pass through these stages of development at different rates. The numbers on the top of the HRD Assessment Tool matrix refer to the stages of development. Stage 1 is the less developed stage; stage 4 is the most developed stage. It is not uncommon at any given time for organizations to be in different stages of development for the HRM different components on the HRD instrument. The human resource management characteristics refer to the statements that describe the HR component at each stage of development. The indicators are the measures or observations that offer evidence of a general status or condition.

The HRD assessment tool is a self-assessment tool used by a group of staff people internal to the organization, including senior managers, the HRM director and staff from the service delivery level. The actual assessment process is often facilitated by an outside consultant, although that is not necessary. During the assessment, all members of the self-assessment committee first individually assess each HR component in the matrix, circling the characteristic that best represents the current status of development of the HR component. After this exercise, all the participants share their assessments and the indicators and work together to develop a consensus on the appropriate stage of development and indicator for each of the 21 HR components. Once the assessment is complete the group formulates a management action plan, designed to improve areas or components that need strengthening.

**This participatory process allows the committee members to assess how well the organization is functioning in relation to each of the twenty one components and determine what steps it can take to function more effectively. The tool and a complete explanation of its use including the characteristics of HRM provided in appendix I of this document. The importance of each of the 21 components is defined in this appendix. A glossary of HRM terms is also provided there.**

**Organizations were also asked specific questions about: the role of HRM in their organization, current HRM challenges they faced, involvement of their organization in health sector reform; and any new HRM challenges arising from this involvement.**

**The HRM Assessment Tool and questions were faxed and emailed to 15 public sector organizations and NGOs, with a cover letter and a set of instructions. Five NGOs in Latin America responded. The instrument was applied in these 5 organizations, according to the specifications on the assessment process described above. They were asked to return the consensus assessment scores to MSH, with 1-2 indicators that provided supporting evidence for the scores they assigned, in addition to responses to the questions mentioned above. They did not forward their human resource management improvement plans to MSH.**

**It is important at a later stage to conduct this assessment of HRM systems and practices in public sector organizations, possibly in country in order to motivate and facilitate the planning and implementation of the process.**





#### **4. CURRENT HUMAN RESOURCE MANAGEMENT CAPACITY AT SELECT NGOs IN THE REGION: FINDINGS FROM THE APPLICATION OF THE HRD ASSESSMENT TOOL**

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The five Latin American NGOs surveyed have from 125 to 300 employees. The HRM functions in their organizations described by them largely fall into the category of personnel administration, including HR policies, hiring processes and employee contracts, personnel files, performance appraisal, conflict resolution, and assuring compliance with labor laws. They are also involved in the payroll and staffing contingency plans. HRM is generally not responsible for staff training in these organizations with a few exceptions.

In all cases the NGOs had a HRM unit within the organization's finance and administration department. Tasks are carried out by personnel assigned to this area. The human resource management functions are carried out at the central level in all of the organizations except one where they have decentralized some of the functions. Only two organizations have participated in some aspect of health sector reform in their countries. Some of the HRM challenges faced by the organizations involved in health sector reform are training staff for new roles and assuring integrated, functioning teams.

Table 1 in Appendix 2 summarizes the consensus scores for each of the HRM components on the HRD Assessment Tool applied in the 5 organizations. Scores range from 1 to 4, with "1" signifying the lowest level of management development capacity in that area and "4" signifying the highest level of management development capacity. The HRD Assessment Tool in Appendix 1 shows the characteristics for each component at each of the four stages of development.

Although two organizations generally fared well in all HRM components, the assessments from the other organizations manifested the need for development in several HRM areas including:

- HRM Planning
- Job Classification Systems
- Formal Systems for determining compensation and benefits
- Employee Orientation Programs
- Discipline, Termination and Grievance Processes
- Up dated Job Descriptions
- Supervision
- Performance Planning and Review.

In some cases substantial work is required to up date HRM processes and policies. Not all staff have job descriptions or accurate job descriptions. Other policies may require a fresh look such as the organizations' performance appraisal systems. In some cases there has not been sufficient training for supervisors and employees in this system, the system is inconsistently applied and is fraught with subjectivity.

Organizations had a HRM budget, sometimes adequate, sometimes not, used almost exclusively to support HRM staff salaries and not necessarily for other activities. HRM staff has different levels of preparedness in HRM, although most organizations consider their level of preparedness to be adequate. In each organization there is staff assigned to the HRM area. Some organizations felt they were

**minimally staffed in this area. The organizations assessed considered that for the most part there is a link between HRM planning and organization mission and goals. Day to day operations are occurring through the HRM unit at each organization.**

**The HRD assessment tool does not take a look at the strategic role of HRM or the change agent role. Two organizations were probed to discover if these roles existed. They did not. In some organizations HRM does not have a plan for improving employee commitment and competence. Training and development of staff (all staff not just program staff) is uneven as is general support for performance improvement at the individual or unit level. HRM in these organizations is almost exclusively devoted to basic workplace policies for staff, recruiting and hiring human resources (although not in all cases strategically determining the HR needs according to strategic goals and objectives), and compensation and benefits (although not always based on a job classification system and a well established salary policy).**

## **5. CUTTING EDGE CONCEPTS AND PRACTICES OF HUMAN RESOURCE MANAGEMENT**

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The previous section presents information from the HRM assessments conducted in Latin American organizations. In many organizations greater HRM capacity is needed.

What are some of the cutting edge concepts and practices of human resources management today that must be taken into consideration in building such HR capacity and systems? The information in this section of the report is included to provide the reader with a broader perspective of HRM today and help build a set of recommendations on the role and practice of HRM in health sector reform

Many people have traditionally equated HRM with "personnel administration" (i.e. hiring and job placement, employee salaries and benefits, compliance with labor laws, etc.). Some confuse HRM with human resources development and equate it only with planning of human resource needs and staff development and training. In general areas commonly associated with human resources management include: staffing (recruiting and hiring staff), workplace policies (schedules, vacations, etc.), compensation and benefits, training and developing employees and regulatory issues that organizations or businesses need to follow to stay in compliance with regulations.

HRM has changed enormously in the last 15 years however, growing far beyond this earlier conceptualization and practice. Many management experts and organizational leaders believe that HRM can be expected to play a much more important role in organizations and companies in the next years (Ulrich, 1997, etc.). Work force competence and performance and overall organizational capacity are central issues in the current context of rapid, continuous change in the external environment (e.g., reform, competition, growth in technology, globalization, customer demands, donors and lenders funding patterns and requirements, economic and political changes, an enormous increase in knowledge and information, a more diverse workforce, and changes in rules and regulations, and the nature of jobs themselves). These changes require a focus on new human resource practices and policies.

Multiple HRM roles are needed, not just the administrative role that HR traditionally plays. As shown in the table below, these roles include: 1) management of strategic human resources; 2) management of firm infrastructure; 3) management of transformation and change and 4) management of employee contribution (Ulrich, 1997).

**FOUR PRINCIPAL HR ROLES IN BUILDING A COMPETITIVE ORGANIZATION**

<b>management of strategic human resources</b>	<b>management of transformation and change</b>
<b>management of firm infrastructure</b>	<b>management of employee contribution</b>

(Ulrich, 1997)

IN THESE DIFFERENT ROLES, HR FOCUSES ON BOTH THE LONG TERM STRATEGIC TO THE SHORT TERM OPERATIONAL AND ON SYSTEMS, POLICIES AND TOOLS IN BUILDING A FIRM INFRASTRUCTURE AND PEOPLE.

HOW CAN HRM EXERCISE EACH OF THESE FOUR ROLES? IN ITS ROLE AS A STRATEGIC PARTNER OF SENIOR MANAGEMENT, HRM ALIGNS WHAT IS DONE IN HRM WITH THE ORGANIZATIONAL GOALS AND STRATEGIES OF THE ORGANIZATION. OFTEN IN THE PAST HRM HAS BEEN ISOLATED IN A FAR CORNER OF AN ORGANIZATION, INSTITUTION AND COMPANY, PREOCCUPIED WITH HIRING, TRAINING PERSONNEL AND PAYING SALARIES AND BENEFITS AND DISCONNECTED FROM THE STRATEGIC GOALS AND DIRECTIONS OF THE INSTITUTION. THIS SITUATION PREVAILS TODAY IN MANY ORGANIZATIONS THROUGH BOTH THE FAULT OF SENIOR LEADERS AND MANAGERS IN THE ORGANIZATION AS WELL AS THE HRM PROFESSIONALS AND THE HRM DEPARTMENT.

HRM MUST BE A FULLY INTEGRATED AREA OF THE ORGANIZATION OR INSTITUTION WITH TRAINED STAFF WHO ARE KEENLY AWARE OF AND PARTICIPATE IN ORGANIZATIONAL STRATEGY DEVELOPMENT AND DEPLOYMENT IN THE ORGANIZATION. HR STAFF UNDERSTAND THE ORGANIZATION'S STRATEGIC GOALS AND OBJECTIVES, THE ORGANIZATION'S MAJOR NEW CHANGE OPPORTUNITIES OR FUNDAMENTAL CHALLENGES AND THE ORGANIZATION'S LONGER TERM DIRECTIONS. HRM MUST TAKE ORGANIZATIONAL STRATEGY AND TRANSLATE IT INTO HRM PRIORITIES AND IDENTIFYING AND IMPLEMENTING HR PRACTICES THAT CAN MAKE THE STRATEGY HAPPEN.

FOR EXAMPLE, HRM MUST CAREFULLY REVIEW NEW ORGANIZATIONAL ROLES AND COMPETENCIES PLANNED UNDER HEALTH SECTOR REFORM. THEY MUST EVALUATE STAFF COMPETENCIES AND WORK ON MECHANISMS FOR FILLING THE GAP BETWEEN ORGANIZATIONAL COMPETENCIES AND CURRENT STAFF CAPABILITIES. FORWARD LOOKING ORGANIZATIONAL LEADERS AND HRM UNDERSTAND THAT NEW RECRUITMENT AND SELECTION IS NOT SHORT TERM ORIENTED BUT CONCERNED INSTEAD WITH ORGANIZATION'S FUTURE PERFORMANCE NEEDS.

IN ALIGNMENT WITH NEW STRATEGIC DIRECTIONS, HRM MAY HELP IDENTIFY NEW PEOPLE AS WELL AS TRAIN PEOPLE WHO HAVE BEEN IN THE ORGANIZATION FOR SOME TIME. TRAINING MUST BE STRATEGIC, DESIGNED TO GROW STAFF COMPETENCIES SO THAT PEOPLE WILL BE ABLE TO ACHIEVE ORGANIZATIONAL STRATEGIES. IF FOR EXAMPLE ENHANCING THE QUALITY OF HEALTH SERVICES IS A NEW STRATEGIC OBJECTIVE IN ORDER TO INCREASE ACCESS, PROVIDE SERVICES FOR MORE CLIENTS, INCREASE CLIENT SATISFACTION AND CLINIC REVENUE, TRAINING AND PERFORMANCE IMPROVEMENT IN QUALITY MAY BE WARRANTED. IF THE ORGANIZATION SEEKS TO INCREASE FINANCIAL SUSTAINABILITY, HRM MAY PROVIDE TRAINING, TOOLS AND OTHER PERFORMANCE IMPROVEMENT SUPPORT TO HELP STAFF UNDERSTAND WHY THIS

is important and how they can support this goal. HRM may also propose and implement new contractual and compensation mechanisms if necessary to reduce costs. If the organization is pursuing new market segments or developing and selling new products such as contraceptives, HRM may modify hiring and development strategies to get the right kind of people. These are only a few examples of how HRM practices help accomplish organizational objectives and strategies. HRM delivers or adds value by executing organizational strategy.

In the second more traditional but very important role as caretaker of the organizational infrastructure or administrative expert, HRM's job is to design and deliver processes, norms and procedures for recruiting, hiring, paying, training, assessing employee performance and promoting and rewarding personnel. Many current HRM processes and practices in health services organizations are centralized, cumbersome and redundant. HRM must be attuned to best practices in this area. When these processes are efficient they add value to the organization's goals. Inefficient processes lead to key staff jobs going unfilled for months, a decline in services to clients or a decline in clinic revenues. HR personnel can also help hire, train and reward personnel who increase productivity, meet or exceed performance goals and reduce waste.

One of the principal components of reform processes taking place in the health sector in the Americas is the identification and implementation of new forms of provider payments (Regional Forum on Payment Mechanisms, 1998). Providers may be paid through various mechanisms including fixed salary, fee for service, capitation, bonuses and other mechanisms. Payment for performance is often discussed. Provider payment mechanism alternatives require thorough investigation and sound financial and HR planning and implementation. For example, payment based on performance requires a well conceived and implemented performance planning and appraisal system so that rewards and incentives are based on a fair and objective system. Provider payment mechanisms must be anchored in firm HRM and financial infrastructure.

HR personnel must look for ways to continually do things better. For example, some HR functions are now being out sourced (e.g., paycheck processing, benefits administration) so that less time needs to be spent on these administrative details and more time can be spent on strategic issues involving employee performance. Rather than all functions coming under the control of one centrally based division, decentralization is being planned and implemented in organizations. Teamwork is being championed in many organizations.

In the third role of managing employee contributions, HR looks for ways on a day to day basis to maximize employee contributions in the organization and to be involved in employees' concerns, problems and needs. Increased employee commitment and competence is a by product of an active HR role in this area. Meetings with employees, employee surveys to monitor concerns and to solicit employee feedback on organizational goals and strategies, training and staff development, building the capacity of supervisors, performance improvement tools and processes and changes in the organizational environment are just a few ways to improve employee contribution. People want to understand their roles in organizations, they want to know that their work matters and want to have opportunities for growth. They need to apply their potential capability to their work. Organizations also need this potential capability which frequently goes unexplored and untapped.

**HRM can also add value through its fourth pole in managing change in the organization. The only constant is change is an old adage that seems particularly relevant at the beginning of the new millennium. The larger global and national context is full of changes: new technology, new political and economic realities, clients and communities with more or less resources, new and emerging diseases, donors and lenders offering or and withdrawing support, competition and others. In response to this environment, organizations, institutions and companies must change to remain effective, efficient and sustainable. Moreover, the change process today is different. Rather than handling one change at a time with periods of steady state in between, managers in many organizations, institutions and companies are handling multiple change processes simultaneously. There may also be little time between change efforts or initiatives (Procker, 2000).**

**In health sector reform, organizational change and change at the level of teams and individual employees is a given. The content of these changes is determined by national policy makers, sector and organizational leaders and politicians, as well as lenders and donors and other technical experts. People employed in the sector may feel they are better off or worse off with these changes. They can embrace or reject this change responding with high levels of productivity and morale or with cynicism or other forms of resistance. Carefully planning change processes and effectively managing change in institutions impacted by health sector reforms is important.**

## **C. RECOMMENDATIONS ON THE ROLE AND PRACTICES OF HUMAN RESOURCE MANAGEMENT IN HEALTH SECTOR REFORM AND CONCLUSIONS**

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What do the human resource management assessments that were conducted in five Latin American NGOs say about HRM capacity in organizations? What is known about HRM in public sector organizations? What can be learned from reviewing cutting edge concepts and practices in HRM? And what recommendations stem from this learning on the role and practices of human resource management in health sector reform?

The assessment findings suggest that with some exceptions there is a full agenda of work in NGOs to build greater and more modern capacity in human resource management. In some organizations the base is firm, in others multiple needs for improvement in HRM compete with one another. Although public sector organizations were not assessed in this occasion enough is known to suggest that there is also a pressing need to build HRM capacity in these institutions.

The HRM agenda should not be confined to planning manpower needs for the sector or training people. This forecasting, planning and training of HR must be accompanied by institutional HR behavior and systems including a strong orientation to strategic human resources management and on going, day to day HR operations. The HR role in institutions should not be limited to hiring, firing and paying salaries. HRM has multiple roles and functions that must be integrated into a HR system. Public and private sector organizations undergoing reform need these strong, human resource systems, policies and practices that have up to date personnel data, know employee capabilities, can prepare employees for change and consider traditional and new contractual relationships and payment mechanisms for individuals and groups working in the organization. More often than not, this pre condition is not met and health sector reform planning begins without clear HRM roles and functions, trained personnel, HRM information and solid systems and processes in place in different organizations. The HRD Assessment Tool utilized here provides a structure for organizations to examine their HRM systems and begin strengthening the overall system. The four pole model is a framework for the new HRM and helps organizations to think more broadly about the HR role and what HR can and should deliver in the organization.

Human resource management are not skills traditionally found in health ministries and often not found in NGOs. A first step in strengthen human resources management in organizations and institutions preparing for or engaged in health sector reform would be to conduct regional forums designed to give representatives from the public and NGO sectors an opportunity to:

- reflect on the role and importance of HRM in their institutions and in health sector reform;
- facilitate sharing and analysis of experiences
- provide training and orientation on the HRD Assessment Tool and new HR roles and practices.

Further exploratory analysis especially in the more complex, larger public sector organizations in Latin America is also needed to illuminate the current role of HRM, the organization's HRM capacity and HRM needs at the organizational level.

**BENCHMARKING OPPORTUNITIES FOR REPRESENTATIVES FROM NGOS AND PUBLIC SECTOR ORGANIZATIONS TO STUDY BEST PRACTICES IN ORGANIZATIONS WITH WELL DEVELOPED HR SYSTEMS WOULD ALSO SERVE TO FURTHER EXPOSE HEALTH SERVICES ORGANIZATIONS TO THE VITAL ROLE THAT HRM CAN PLAY IN DEVELOPING, SUSTAINING AND EXTENDING INSTITUTIONAL AND EMPLOYEE CAPACITY.**

**IMPROVING HUMAN RESOURCE MANAGEMENT CAPACITY IN HEALTH SERVICES ORGANIZATIONS HAS GREAT POTENTIAL FOR MEETING SECTOR AND INSTITUTIONAL GOALS, ADDING VALUE AND DELIVERING RESULTS.**



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**Human Resource Development  
Assessment Instrument  
FOR  
Non Governmental Organizations (NGOs)  
and Public Sector Health Organizations**

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**developed by**

**family planning management development  
technical unit  
management sciences for health  
1998**

**HUMAN RESOURCE DEVELOPMENT ASSESSMENT INSTRUMENT FOR NON GOVERNMENTAL ORGANIZATIONS (NGOs) AND PUBLIC SECTOR HEALTH ORGANIZATIONS  
DEVELOPED BY MANAGEMENT SCIENCES FOR HEALTH**

## **INTRODUCTION**

Human Resource Development (HRD) play a critical role in creating and sustaining high performance organizations. A large percentage of the operating budgets of NGOs and ministries of health is devoted to staff salaries and wages. In an era of health sector reform, HR issues must be addressed if organizations are to successfully manage decentralization, public/private partnerships, downsizing and expansion, as well as the drive toward organizational sustainability. As more and more NGOs and government organizations face these challenges, they are looking for HR technical assistance and support. This instrument is designed to help organizations assess their HR capacity. It can also serve as a basis to develop strategies to improve the HR system and make it as effective as possible.

### **Benefits of a Human Resource System to Your Organization:**

Systematic planning to support organizational mission  
Increased capacity to achieve the organization's goals  
Clear definition of each employee's work responsibilities and link to organization mission  
Greater equity between compensation and level of responsibility  
Defined levels of supervision and management support  
Increased level of performance and efficient utilization of employees skills and knowledge  
Cost savings through improved efficiency and productivity  
Increased ability to manage change

Management Sciences for Health (MSH), an organization dedicated to providing management development assistance and training to health and family planning NGOs and public sector health organizations, has developed a series of organizational self-assessment tools that focus on various management issues. HRD includes both management, policy and development components. A fully functioning HR system can assist your organization to develop a set of policies, practices, and systems that advance the skills and motivation of staff in order to achieve the highest possible level of performance over time.

Human Resource Development is important in all organizations regardless of their size, purpose and degree of complexity. The components assessed by this tool are relevant in any organization from small and medium sized NGOs to large government bureaucracies.

**CONTENT OF THE INSTRUMENT**

**WORKING DEFINITION OF HRD**

Human Resource Development, as assessed by this instrument, is defined as the integrated use of procedures, policies and management practices to recruit, maintain and develop employees in order for the organization to meet its desired goals. HRD is most effective in an organization when its authority is located at the senior management level.

<b>HR COMPONENTS ASSESSED BY THIS INSTRUMENT</b>	
<p><b>HR CAPABILITY:</b> Budget HRD Staff</p> <p style="text-align: center;"><b>HR PLANNING:</b> Mission and Goals HRD Planning</p> <p><b>PERSONNEL POLICY AND PRACTICE:</b> Job Classification System Compensation and Benefits System Recruitment, Hiring, Transfer and Promotion Orientation Program Policy Manual Discipline, Termination, Grievance Procedures Union Relationships Labor Law Compliance</p>	<p><b>HR DATA:</b> Employee Data Computerization of Data Personnel Files</p> <p><b>PERFORMANCE MANAGEMENT:</b> Job Descriptions Supervision Work Planning and Performance Review</p> <p><b>TRAINING:</b> Staff Training Management/Leadership Development Links to External Pre-Service Training</p>

**PURPOSE OF THE HRD ASSESSMENT INSTRUMENT**

The HRD assessment instrument is intended to provide users with a rapid assessment tool to identify the organization's characteristics with respect to the core functions of a human resource system. The instrument is organized according to these HR components in a matrix with four levels of indicators. There is no scoring involved. Each level describes an organizational phase of development and provides information that is useful in developing a plan of action for your organization to improve those HR areas that need strengthening.

For newly formed organizations, the instrument can serve as a guide for developing an optimal HRD system. For established organizations facing changes (i.e. contracting out services, decentralizing, downsizing or expansion), the tool can serve as a reference for the types of HRD issues that must be addressed in order to manage change successfully. For optimal benefit to the organization, it is important that this assessment be supported by the executive director of the NGO or top decision makers in a government organization. Units within an organization can also benefit from using this instrument as a guide for improving HR components that they can influence directly. This instrument can also serve as a basis for focusing discussions, brainstorming, and strategic planning.

### **USING THE INSTRUMENT**

This instrument is best administered by a committee of staff internal to the organization (e.g., executive director and representatives from senior staff, board of directors). It is often useful for an external consultant to facilitate the process.

### **ORGANIZATIONAL SELF-ASSESSMENT AND ACTION PLAN**

Together the group should assess each HR component on the attached graph. Following this, the group should discuss the results, agree on the areas which need strengthening, and formulate an action plan that includes specific activities, with time lines, to address these areas. A paper review of the documents listed below will help to inform the discussion.

It is important that the results are reviewed and analyzed by a variety of staff and board members, and that a consensus is reached on HR areas within the organization that should be targeted for improvement. The criteria specified for each component in this HRD assessment will provide the organization with data on which to base improvement action plans. The tasks required for improvement are not necessarily costly, but if resources are limited, think strategically. Which actions will have the biggest impact on the effectiveness of the organization? Whatever the amount of time and resources that are required, an investment in HRD will reap many benefits for your organization.

### **COMPLEMENTING THE SELF-ASSESSMENT WITH A REVIEW OF DOCUMENTS**

In each case, the assessment work should be complemented by direct observation of the organization's HR practice and a review of all relevant HRD and personnel documents. The following documents are recommended for review:

PERSONNEL FILES AND REVIEWS  
JOB DESCRIPTIONS AND WORK PLANS  
FINANCIAL/PAYROLL RECORDS  
LABOR LAW

EMPLOYEE POLICY STATEMENTS OR MANUAL  
ORGANIZATIONAL MISSION STATEMENT  
STRATEGIC PLANS

**HRD ASSESSMENT TOOL FOR NDCs AND PUBLIC SECTOR HEALTH ORGANIZATIONS**

**INSTRUCTIONS**

FOR EACH OF THE HR COMPONENTS ON THE GRID BELOW, CIRCLE THE STATEMENT THAT BEST APPLIES TO THE CURRENT STATUS OF YOUR ORGANIZATION. IF ONLY PART OF THE STATEMENT APPLIES, CIRCLE THE PREVIOUS STATEMENT. IN THE "COMMENTS" BOX BESIDE EACH HR COMPONENT, PLEASE RECORD THE INDICATORS (OR REASONS) THAT LED YOU TO SELECT THIS BOX AND ANY ADDITIONAL KEY INFORMATION RELATED TO THIS COMPONENT. REFER TO THE GLOSSARY ATTACHED AT THE END OF THE TOOL FOR DEFINITIONS OF KEY TERMS USED IN THE GRID.

<b>HRD COMPONENT</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Indicators</b>
<b>HRD Capacity</b>					
<b>HRD Budget</b>	There is no budget allocated for HRD staff or HRD activity within the organization.	There is limited money available to fund an HRD position or to conduct HRD activities (e.g., training, systems development, performance planning and evaluation).	Budget is allocated for HRD staff and related activities. Allocation is irregular and cannot be relied on for any useful long range planning or the development of HRD systems.	Money for HRD staff and related activities is a permanent budget item, reviewed annually and adjusted if possible.	
<b>HRD Staff</b>	There are no staff specifically charged with responsibility for HRD functions.	There are HRD staff in the organization, but they have limited experience related to this field (personnel, recruitment, management) and/or have other functions in the organization as well as HRD.	There are trained HRD staff in the org., but only at a level to maintain basic procedures and record keeping functions.	There are experienced HRD staff in the org. who maintain HRD functions. They participate in long range planning for the organization.	

<b>HRD PLANNING</b>					
<b>Organization Mission/Goals</b>	<b>no formal mission statement or organization goals exist.</b>	<b>Mission/goals exist but are not formally linked to HRD planning (e.g. staffing, job classifications).</b>	<b>Mission/goals linked in a formal way to HRD planning (e.g., staffing plan, training).</b>	<b>Mission/goals linked to annual HRD planning and also for forecasting long range staffing and recruitment needs.</b>	
<b>HRD planning</b>	<b>no annual HRD plan exists.</b>	<b>Annual HRD plan exists, but it is not based on a formal assessment of the mission, organizational goals, staffing needs, training outputs or existing employee data.</b>	<b>Annual HRD plan exists, based on organizational goals, staffing needs, training, and employee data, but it is not further evaluated for effectiveness.</b>	<b>Annual HRD plan based on organizational goals and training outputs exists. It is implemented, evaluated, and used for long range strategic planning.</b>	



<b>HRD Data</b>					
<u>Employee Data</u> NO. OF STAFF LOCATION SKILL/Ed. LEVELS GENDER/AGE YEAR OF HIRES SALARY LEVEL	NONE OF THIS DATA IS COLLECTED ON ANY KIND OF SYSTEMATIC BASIS.	MOST OF THIS DATA IS COLLECTED, BUT NOT MAINTAINED OR KEPT UP TO DATE.	ALL OF THIS DATA IS AVAILABLE AND UP TO DATE, BUT DATA IS NOT FORMALLY USED IN HRD PLANNING OR FORECASTING.	ALL OF THIS DATA IS AVAILABLE AND UP TO DATE. SYSTEMS ARE IN PLACE. DATA IS FORMALLY USED IN HRD PLANNING AND FORECASTING.	
<u>Computerization of Data</u>  Note: (this component is more relevant for larger organizations)	There are no computers or data systems available to the organization, externally or internally.	There are computers in place, but no resources to develop systems for data management.	Computers and data management systems are available, but staff not trained and data files are incomplete.	Computers and data management systems are in place and data files up to date, staff receives training.	
<u>Personnel Files</u> Individual Employee Records	No individual employee records exist.	Limited employee personnel files are maintained, but not regularly updated.	Personnel files for all employees are maintained and kept up to date, but there is no policy for employee access or use of this data.	Updated personnel files for all employees exist and also policies for appropriate use, e.g. confidentiality, employee access.	

<b>PERSONNEL POLICY AND PRACTICE</b>					
<b>Job Classification System</b> title/qualifications for : Professional Clinical technical support staff	no formal system exists to classify jobs and the skills and qualifications required for each classification.	There is some attempt to classify jobs, but it is uneven and incomplete.	A job classification system exists, but it is not used as a basis for other HRD functions (e.g. job descriptions, hiring, salary/benefits).	A job classification system exists and is used in a formal manner for other HRD planning and staffing functions.	
<b>Compensation and Benefits System</b>	no formal system exists for determining the salary scale and benefits provided to each job classification.	A formal system exists, but it not used in a routine manner.	A formal system exists, is understood by all employees and used in a consistent manner.	A formal system exists and used consistently. It is also used to determine salary upgrades and merit awards.	
<b>Recruitment, Hiring, Transfer and Promotion Procedures</b>	no formal process exists for recruiting, hiring transfer and promotion according to job descriptions.	There are systems for hiring, etc. but they are not followed.	There are formal systems, based on established criteria, but they are not used consistently.	There are formal systems, monitored and used in all hiring, transfer and promotion decisions.	
<b>Orientation Program</b>	There is no formal orientation program for new employees.	There is a program, but it is not implemented on a regular basis.	Orientation is offered in a routine manner, but does not emphasize the mission, goals, performance standards expected by the organization.	Orientation is offered to all new employees, emphasizes the mission, goals, and performance standards expected and also makes people feel welcomed and valued.	
<b>Policy Manual</b>  Org. chart work hours time sheets policy discipline grievances benefits legal travel	no policy manual exists.	Policy manual does exist, but it is out of date and does not include all of the relevant information.	A current policy manual does exist but it is not available to all employees and is not always used as a basis for personnel decisions.	An updated policy manual does exist and is available to all employees. It serves as a reference guide to all questions about employment in the organization and is reviewed and updated regularly.	
<b>Discipline,</b>	no formal procedures	formal procedures do	formal procedures based	formal procedures based	

<b>Termination Grievance Procedures</b>	exist.	exist, but they are not clearly related to performance standards.	ON PERFORMANCE STANDARDS exist, but they are not followed in any consistent manner.	ON PERFORMANCE STANDARDS are known to all employees and used consistently.	
<b>Relationship With Unions (if appropriate)</b>	There is no link between HRD, management and the union.	Links exist between HRD, management, and union, but roles are not clear.	management involves HRD in union issues, but on an irregular basis.	management, HRD and the union work together to resolve issues and prevent problems.	
<b>Labor Law Compliance</b>	There is no review of HRD policies to ensure compliance with local and/or national labor law.	There is some effort to review labor law, but it is not done on a regular basis.	A review of the labor law is done regularly as a formal part of the HRD function, but policy is not always adjusted to ensure compliance.	HRD policy and practice is adjusted as needed to be in compliance with the local and/or national labor law.	
<b>Performance Management</b>					
<b>Job Descriptions Job Title Qualifications Responsibilities Supervisor</b>	no job descriptions are developed.	some staff have job descriptions, but they are not always up to date and/or are very general lacking job responsibilities and supervision.	All staff have job descriptions, but they are not all complete or up to date with specific duties and lines of supervision.	complete job descriptions exist for every employee and are kept up to date through a regular process of review. specific duties and lines of supervision are clearly stated.	
<b>Staff Supervision</b>	There is no clear system of supervision. Lines of authority are unclear. Staff are not recognized for their achievements.	There are established lines of authority, but the supervisor's role and function is not understood and little supervision takes place. Limited staff recognition.	Supervisors understand their roles and lines of authority and meet regularly with their employees to develop work plans, evaluate, performance, and publicly recognize staff for their achievements.	Supervisors increase staff performance by assisting staff with professional development plans and encouraging them to learn new skills. Supervisors receive skills training periodically.	
<b>Performance Review (A Formal Work Planning and Performance Review System) Planning and Review System</b>	There is no work planning and performance review system in place.	A work planning and performance review system is in place, but it is informal and does not include work plans and performance objectives developed jointly with	There is a formal system and supervisors are required to develop work plans and performance objectives with each employee and review performance in the past,	Supervisors and employees develop work plans jointly and performance reviews are conducted on a regular basis. Orientation sessions and a manual are	

<b>(ppen)</b>		<b>staff.</b>	<b>but this is not done on a consistent basis.</b>	<b>provided to all staff. Reviews are used for personnel decisions.</b>	
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<b>TRAINING</b>					
<b>Staff Training</b>	There is no training plan.	Training is offered on an ad hoc basis but it is not based on a formal process of assessing staff needs nor is it linked to the organization's key priorities and changes in the health sector and health practices.	Training is a formal component of the organization and linked to staff and organizational needs, but it is not available for all staff, nor is it evaluated for results.	Training is a valued part of the organization and opportunities are developed for staff based on their needs and also on those of the organization.	
<b>Management and Leadership Development</b>	There is no policy or philosophy regarding the importance of developing strong management capacity and future leaders for the organization.	There is an emphasis on developing management capacity but it is not done on a regular basis.	The organization makes an effort to develop leaders through training, and also through mentoring and challenging job assignments, but participation is selective.	A plan for management and leadership development is in place and there is an opportunity for everyone to participate based on performance and other established criteria.	
<b>Links to external pre service training</b>  (This HRD component may be more relevant for government organizations)	There is no formal link with the pre service training institutions which train employees for the health sector.	There is a loose relationship between the organization and pre service training institutions, but it is not used in any formal way for workforce training and development.	The organization and pre service training institutions work together to ensure that the curriculum is based on skills, knowledge and attitudes required in the workplace.	The organization and pre service training institutions also offer regular in service training for staff already in the workplace to upgrade their skills and knowledge, (e.g. management training).	

### INTERPRETING YOUR RESULTS:

The following guidelines will help you to interpret the results of your HR assessment. Please keep in mind that there is no scoring involved in this exercise. Rather, each level describes an organizational phase of development and provides information that is useful in developing a plan of action for your organization.

The components described in this instrument relate to the different parts of an HR system. Some of these describe structural and organizational elements, e.g., staffing, budget. Other components describe policy requirements. Some of the components describe management systems that are critical to managing HR, e.g., performance management, supervision. And, some of the components relate to staff training and development activities. An effective HR management system integrates all of these components.

#### **WHERE TO BEGIN:**

While all of the components assessed by this instrument are required to fully manage your human resources, there is an order to their importance:

**HR CAPACITY:** It is critical that you address this component first. If your assessment for HR capacity (budget and staff) is at a level 1 or 2, meaning there are no qualified staff charged with HR responsibility, your institution or organization cannot address the other HR components described here.

**HR PLANNING:** Next in order of importance is HR planning. The organizational mission provides direction to the HR strategies and the HR plan provides direction to the work that people do.

**HR POLICY:** All of the elements included under HR policy provide an essential framework for defining the terms and conditions of work and need to be in place before effective performance management and supervision systems can be implemented.

**HR DATA:** In addition to the above components, organizations require some means of tracking the people who work for them. They also need employee data to accurately project employment needs. This component should be addressed in a timely fashion.

**PERFORMANCE MANAGEMENT AND SUPERVISION:** Performance management and supervision systems define how people will interact with each other and how the work that they do will support the goals of the institution or organization.

**TRAINING:** Training is an essential component of an effective HR system, but it is most effective when it is managed and integrated into the other components of HR planning, policy and performance management. It is suggested that you assess your results in light of the priority order above before moving to develop your action plan. (see the following page).

#### **DEVELOPING AN ACTION PLAN**

Following the assessment of the HRD components in this instrument, the group should discuss the results and agree on the priority areas to be addressed. *Refer to the guidelines on the previous page.*

Once these are identified and agreed to, an action plan is developed. The criteria specified for each component in this HRD assessment instrument will provide data on which to base your action plan. Successful change is a gradual process, so it is better to set realistic goals and try to move from one stage to the next in incremental steps. If many areas need to be addressed, focus on what is most practical and achievable given the available human and financial resources. Consider where you can have the biggest impact. For example, updating job descriptions can also provide a basis for performance evaluation, supervisory roles and staff training. Your action plan should specify activities, time lines and identify the persons responsible. Other elements to consider include:

**BOONPING COMMITMENT OF LEADERSHIP.** The Leadership of your organization should lead the efforts and actively support your activities, especially in regard to potentially difficult decisions regarding the use of human and financial resources.

**ALLOWING SUFFICIENT TIME.** Realistic expectations are often the key to success. Improvements are often incremental and cumulative and sustained change takes time.

**MANAGING CHANGE.** Organizational change is often met with resistance. Focus first on changes which will meet with the least resistance and keep everyone in the organization informed.

**SAMPLE ACTION PLAN:**

Targeted Area	Proposed Activities	Timeline	Person(s) Responsible	Resources Needed	Indicators
Job Descriptions	Undertake a comprehensive review of all job descriptions, compare them with employees' current and anticipated job responsibilities. Update as necessary.	Over the next months.	Executive Director and HRD Director.	Staff time and assistance. No additional resources required.	Current job descriptions are on file for all staff including specific duties and lines of supervision. A procedure to maintain them is in place.
Work Planning and Performance Review	Revise existing system to include a process of joint work planning between the employee and the supervisor which is based on employee's job description and linked to organizational goals.	6 months to review to develop a process and 6 months to train staff and implement it.	Staff responsible for HRD and Director of Training with a working committee representative of all levels of the organization.	External consultant to assist in training all staff.	Revised performance evaluation system is in place. Staff are trained and a system has been developed to monitor implementation.

**Importance of the HRD components**

**HR CAPACITY**  
Budget  
HR Staff

*Allows for consistent HRD planning and relating costs to results.  
Staff dedicated to HRD are essential to policy development and implementation*

**HR PLANNING**  
Mission and Goals  
HRD Planning

*Mission provides direction to HRD activity and to the work of the staff.  
Allows HRD resources to be used efficiently in support of organization goals.*

**HRD DATA**  
Employee Data

*Allows for appropriate allocation and training of staff, tracking of personnel costs.*

**COMPUTERIZATION OF DATA  
PERSONNEL FILES**

*NECESSIBLE AND ACCURATE AND TIMELY DATA IS ESSENTIAL FOR GOOD PLANNING.  
PROVIDE ESSENTIAL DATA ON EMPLOYEE'S WORK HISTORY IN ORGANIZATION.*

**PERSONNEL POLICY AND PROVISION**

**JOB CLASSIFICATION SYSTEM  
COMPENSATION AND BENEFITS SYSTEM  
RECRUITMENT, HIRING, TRANSFER AND PROMOTION  
ORIENTATION PROGRAM  
POLICY MANUAL  
DISCIPLINE,**

*ALLOWS ORGANIZATION TO STANDARDIZE THE JOBS AND TYPES OF SKILLS IT REQUIRES.  
ALLOWS FOR EQUITY IN EMPLOYEE SALARY AND BENEFITS, TIED TO LOCAL ECONOMY.  
ASSURES FAIR AND OPEN PROCESS BASED ON CANDIDATES' JOB QUALIFICATIONS.  
HELPS NEW EMPLOYEES TO IDENTIFY WITH THE ORGANIZATION AND ITS GOALS/VALUES.  
PROVIDES RULES AND REGULATIONS THAT GOVERN HOW EMPLOYEES WORK AND WHAT TO EXPECT.  
TERMINATION AND GRIEVANCE PROCEDURES PROVIDES FAIR AND CONSISTENT GUIDELINES FOR ADDRESSING PERFORMANCE PROBLEMS.*

**UNION RELATIONSHIPS  
LABOR LAW COMPLIANCE**

*PROMOTES UNDERSTANDING OF COMMON GOALS AND DECREASES ADVERSARIAL BEHAVIORS.  
ALLOWS ORGANIZATION TO FUNCTION LEGALLY AND AVOID LITIGATION.*

**PERFORMANCE MANAGEMENT**

**JOB DESCRIPTIONS  
STAFF SUPERVISION  
WORK PLANNING AND PERFORMANCE REVIEW**

*DEFINES WHAT PEOPLE DO AND HOW THEY WORK TOGETHER.  
PROVIDES A SYSTEM TO DEVELOP WORK PLANS AND MONITOR PERFORMANCE.  
PROVIDES INFORMATION TO STAFF JOB DUTIES AND LEVEL OF PERFORMANCE*

**TRAINING**

**STAFF TRAINING  
MANAGEMENT/LEADERSHIP DEVELOPMENT  
LINKS FOR EXTERNAL PRE SERVICE TRAINING**

*A COST EFFECTIVE WAY TO DEVELOP STAFF AND ORGANIZATIONAL CAPACITY.  
LEADERSHIP AND GOOD MANAGEMENT ARE KEYS TO SUSTAINABILITY.  
PRE SERVICE TRAINING BASED ON SKILLS NEEDED IN THE WORKPLACE IS COST EFFECTIVE.*



## GLOSSARY OF HRD TERMS

**HUMAN RESOURCE DEVELOPMENT:** The integrated use of systems, policies, and practices to recruit, develop, and maintain employees in order for the organization to meet its desired goals.

**HRD PLAN:** The document which results from annual (or longer term) planning, describing the goals and priorities for staffing, training and other HRD activities and how they are related to the organization's mission. It includes the budget for achieving these goals.

**INCENTIVES:** Rewards, generally monetary, that are used to reward high performance, the achievement of objectives, and/or to motivate employees to improve program quality. Incentives, in addition to salary and benefits can be a planned part of total compensation.

**PERFORMANCE MANAGEMENT:** The system, policies and procedures used by an organization to define and monitor the work that people do and to ensure that the tasks and priorities of employees are in alignment with the mission and goals of the organization.

**WORK PLANNING:** The process used by supervisors and staff to jointly plan the performance objectives and specific activities the employee is expected to perform within a specific time period.

**PERFORMANCE REVIEW:** A review of the employee's performance by the supervisor and employee and based on jointly established work plans and performance objectives.

**JOB CLASSIFICATION SYSTEM:** The system that the organization develops to classify jobs according to their function and level of responsibility. It includes job descriptions for each position.

**JOB DESCRIPTION:** A document that states the job title, describes the responsibilities of the position, the direct supervisory relationships with other staff and the skills and qualifications required for the position.

**RECRUITMENT:** Activities undertaken by the organization to attract quality candidates as applicants for their jobs.

**COMPENSATION AND BENEFITS (vacation, housing, loans):** The annual base salary paid to the employee for a particular job including the added benefits that are customarily allowed (i.e., health, vacation, housing, loans)



## Appendix 2: Consensus scores on assessment tool applied to 5 NGOs in Latin America

<b>HR COMPONENT</b>	<b>NGO #1</b>	<b>NGO #2</b>	<b>NGO #3</b>	<b>NGO #4</b>	<b>NGO #5</b>
HRD budget	3	4	4	2	4
HRD staff	2	3	4	3	4
Mission and goals of the organization	4	2	4	3	3
HRD planning	3	1	3	2	4
Job classification system	1	2	3	3	4
compensation and benefits	4	2	2	2	3
Recruitment and hiring	3	2	4	4	3
Employee orientation program	3	1	3	1	4
Policy manuals	3	2	4	4	4
Discipline, termination, grievance	3	1	4	2	3
Relationship with unions	NA	NA	NA	NA	NA
Labor law compliance	4	3	4	4	4
Employee data	3	2	3	3	4
computerization of data	4	2	4	4	4
Personnel files	4	2	4	3	4
Job descriptions	4	2	3	2	4
supervision	3	2	3	2	4
Planning and performance review	4	2	2	1	4
Training	4	1	4	3	4
management and leadership training	3	2	3	2	3
Links to external pro service institutions	NA	NA	NA	NA	NA

**PUBLICATIONS OF THE  
LATIN AMERICA AND THE CARIBBEAN REGIONAL HEALTH SECTOR REFORM  
INITIATIVE**

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- 1- Methodology for Monitoring and Evaluation of Health Sector Reform in Latin America and the Caribbean. (English and Spanish)
- 2- BASE LINE FOR MONITORING AND EVALUATION OF HEALTH SECTOR REFORM IN LATIN AMERICA AND THE CARIBBEAN. (ENGLISH AND SPANISH)
- 3- ANÁLISIS DEL SECTOR SALUD EN PARAGUAY (*PRELIMINARY VERSION*)
- 4- CLEARINGHOUSE ON HEALTH SECTOR REFORM. (ENGLISH AND SPANISH)
- 5- FINAL REPORT – REGIONAL FORUM ON PROVIDER PAYMENT MECHANISMS (LIMA, PERU, 16-17 NOVEMBER, 1998). (ENGLISH AND SPANISH)
- 6- INDICADORES DE MEDICIÓN DEL DESEMPEÑO DEL SISTEMA DE SALUD
- 7- MECANISMOS DE PAGO A PRESTADORES EN EL SISTEMA DE SALUD: INCENTIVOS, RESULTADOS E IMPACTO ORGANIZACIONAL EN PAÍSES EN DESARROLLO
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- 9- CUENTAS NACIONALES DE SALUD: ECUADOR
- 10- CUENTAS NACIONALES DE SALUD: GUATEMALA
- 11- CUENTAS NACIONALES DE SALUD: MÉXICO
- 12- CUENTAS NACIONALES DE SALUD: PERÚ
- 13- CUENTAS NACIONALES DE SALUD: REPÚBLICA DOMINICANA (*PRELIMINARY VERSION*)
- 14- CUENTAS NACIONALES DE SALUD: NICARAGUA
- 15- CUENTAS NACIONALES DE SALUD: EL SALVADOR (*PRELIMINARY VERSION*)
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- 21- FORO SUBREGIONAL ANDINO SOBRE REFORMA SECTORIAL EN SALUD. INFORME DE RELATORÍA. (SANTA CRUZ, BOLIVIA, 5 A 6 DE JULIO DE 1999)
- 22- STATE OF THE PRACTICE: PUBLIC-NGO PARTNERSHIPS IN RESPONSE TO DECENTRALIZATION
- 23- STATE OF THE PRACTICE: PUBLIC-NGO PARTNERSHIPS FOR QUALITY ASSURANCE

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- 24- USING NATIONAL HEALTH ACCOUNTS TO MAKE HEALTH SECTOR POLICY: FINDING OF A LATIN AMERICA/CARIBBEAN REGIONAL WORKSHOP. (ENGLISH AND SPANISH)
  - 25- PARTNERSHIPS BETWEEN THE PUBLIC SECTOR AND NON-GOVERNMENTAL ORGANIZATIONS CONTRACTING FOR PRIMARY HEALTH CARE SERVICES. A STATE OF THE PRACTICE PAPER. (ENGLISH AND SPANISH)
  - 26- PARTNERSHIPS BETWEEN THE PUBLIC SECTOR AND NON-GOVERNMENTAL ORGANIZATIONS: THE NGO ROLE IN HEALTH SECTOR REFORM. (ENGLISH/SPANISH)
  - 27- ANÁLISIS DEL PLAN MAESTRO DE INVERSIONES EN SALUD (PMIS) DE NICARAGUA
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**SPECIAL EDITION**

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- 1- CUENTAS NACIONALES DE SALUD: RESÚMENES DE OCHO ESTUDIOS NACIONALES EN AMÉRICA LATINA Y EL CARIBE
- 2- GUÍA BÁSICA DE POLÍTICA: TOMA DE DECISIONES PARA LA EQUIDAD EN LA REFORMA DEL SECTOR SALUD

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