# Chapter 1

### Introduction

## Background and Significance of Research Problem

Human resource is the core resource and the core competitiveness of hospital, as it is the skilled workforce that is responsible for delivering quality healthcare services to patients (Budhwar, 2010, pp. 16-169). Hospitals rely on their employees to provide exceptional care and create a positive patient experience. According to Al-Sawai (2013, pp. 285-287), hospitals must recruit and retain competent staff to improve their overall performance and competitiveness in the healthcare industry.

The importance of human resource in hospitals can be further supported by a study conducted by Onyango & Wanyoike (2014, pp. 11-15), which found that hospitals that invested in employee development and training programs saw a significant improvement in their overall performance and patient outcomes. This highlights the crucial role that skilled human resources play in the success of hospitals. Moreover, the value of human resource management (HRM) practices in hospitals has been widely acknowledged in the literature (Delaney & Huselid, 1996, pp. 949-950; Guest, 1997, pp. 263-276; Huselid, 1995, pp. 635-672). Effective HRM practices, such as recruitment, selection, training, and development, have a significant impact on employee performance, job satisfaction, and organizational commitment (Delery & Doty, 1996, pp. 802-835).

Zhou (2019, p. 62) discussed the main existing problems in the development of human resources in primary hospitals and the problems that needed urgent solutions. The health human resource management had changed from a traditional personnel management system to a modern human resource management mode. Primary hospitals were also gradually attaching importance to the construction of a human resource management system. However, due to the lack of theoretical knowledge and practical experience, there were still some problems in the human resource management of primary hospitals at the present stage: fierce competition in the medical market, staff pressure, and so on.

Guo (2016, pp. 109-110) analyzed the reasons for the loss of human resources in primary hospitals, and Zhang (2018, p. 188) described the significance of performance appraisal and current problems. Xun, & et al. (2022, pp. 298-300) proposed that primary hospitals were also gradually attaching importance to the construction of a human

resource management system, but due to their own limitations, problems arose and solutions were proposed. These authors analyzed the current situation of human resource management in primary hospitals, and the exposed problems and their causes were used to provide a good basis for optimizing the human resource management system. It was of great significance to optimize human resource management, improve work quality and efficiency, and promote the effective play of management value. Hong (2020, pp. 117-120) proposed that strategic human resource management played a fundamental role in the construction of the modern hospital management system. Strategic human resource management was systematic, targeted, and strategic, and it was an important strategic function to achieve the organization's strategic goals and maintain the organization's continuous competitive advantages. As a systematic management activity, strategic human resources management had the following working mechanism: hospitals continuously improved staff ability through systematic training and enabled employees with strategic vision and great development potential to play a greater role in important posts through promotion channels such as competitive recruitment or internal promotion. Secondly, through the high-intensity employee participation and reasonable benefit distribution management mechanism, the general staff of the hospital could actively understand the development goals of the hospital, enhance the sense of collective belonging of the staff, subtly guide the staff to coordinate their individual actions with the development goals of the hospital, and promote the hospital to achieve greater success and development.

XYZ Hospital is a primary hospital, established in 1995, and is one of the important medical institutions in the area. Currently, the hospital has 100 beds and a total staff of more than 50, with medical staff accounting for more than 80 percent. With advanced equipment and strong technical force, the hospital has a number of departments and can provide comprehensive and professional medical services.

In terms of human resource management, the hospital pays attention to the introduction and training of talents, and has established a perfect human resource management system. In terms of the overall situation of human resources, the hospital has a stable staff with long working years on average and rich clinical experience and professional skills. The human resource structure of the hospital is reasonable, and the proportion of medical staff is moderate, which can meet the daily operation needs of the hospital. In terms of human resource management, the hospital attaches great importance to the training and development of staff, regularly organizes various training and learning activities to improve the professional skills and comprehensive quality of staff. The hospital also pays attention to the salary and welfare of the staff,

and provides competitive salary and perfect welfare treatment for the staff. However, the hospital still has some problems in human resource management. For example, hospitals have a single recruitment channel, unable to attract more outstanding talents; The allocation of human resources is not reasonable, some departments have surplus or shortage of personnel; Selection mechanism is not fair enough, there are certain personnel corruption problems. These problems lead to certain blind spots and deficiencies in human resource management in hospitals. Therefore, in order to further improve the level of human resources management in hospitals, hospitals need to develop more scientific and reasonable human resources management strategies, strengthen the attraction, training and management of talents, improve the work enthusiasm and satisfaction of employees, and provide more powerful human resources guarantee for the development of hospitals.

In the current rapidly developing medical industry, as an important part of the medical service system, primary hospitals assume the important responsibility of providing basic medical services for the masses. Human resources, as the core of medical services, is very important to the development and service quality of primary hospitals. Therefore, how to conduct reasonable human resource management and improve the service level of hospitals and the work efficiency of employees has become an urgent problem for primary hospitals.

This paper aims to explore how to improve the quality of service and the work efficiency of staff in primary hospitals, so as to better meet the medical needs of the masses through the research of human resource management strategy of primary hospitals. Specific research objectives include: understanding existing problems in human resource management of primary hospitals, designing human resource management strategies of grassroots hospitals, and proposing specific management measures and suggestions to promote the development of primary hospitals.

The research significance of this paper is mainly reflected in the following aspects: on the one hand, through the in-depth study of human resource management in primary hospitals, medical institutions can be provided with more scientific and reasonable management methods and ideas, so as to improve the quality and efficiency of medical services; On the other hand, the research results of this paper can provide some references for medical institutions, so as to better cope with the challenges and problems in human resource management, so as to improve the level and competitiveness of medical services.

### Research Objectives

- 1. To study the problems of human resource management at XYZ hospital in Chengde, China.
- 2. To design the strategic human resource management of XYZ hospital in Chengde, China.

#### Research Hypothesis

- 1. Based on the comprehensive results of the SWOT analysis, the understanding of the hospital's strategy and culture, the next step for XYZ Hospital's human resource management will be to create a better SHRM.
- 2. Based on the results of the analysis of the HRM problem and the staff satisfaction survey, if the human resource management department can meet the employee expectations through the new SHRM design.

## Scope of the Study

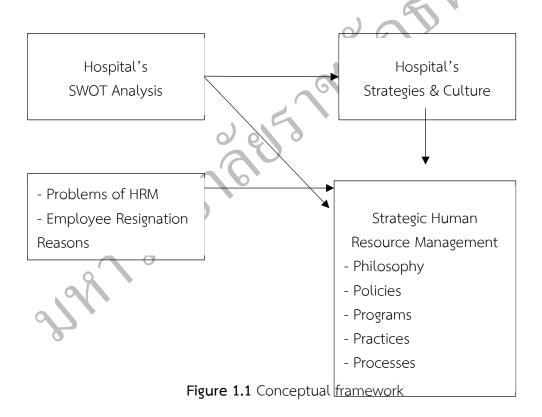
- 1. This research takes a small primary XYZ hospital in Chengde, China as an example, and the analysis and research only aim to address some problems existing in the human resource management of this hospital at the present stage. Therefore, the suggestions and countermeasures provided have limited universality.
- 2. The scope of human resource management includes employee attraction, development, and retention practices.
- 3. The sample scope for expert use in the interview method includes senior staff at XYZ hospital responsible for HRM who understands the hospital's strategy, culture, size, present situation, future direction, and problems.
- 4. Respondents or samples for the employee resignation interview questionnaire survey method will be checked with the hospital's human resources department for a list of people who have left and their contact information. Oral or online interviews and surveys with 32 medical staff who resigned from the hospital between January 2017 and January 2023.

### Conceptual Framework

Human resources have always been in a strategic primacy, even in medical institutions. Human resources are a strong guarantee for medical institutions to

maintain competitiveness and develop in the long run. In a word, the competition among medical institutions is the competition among talents, and talents are also the key factor restricting the development of medical institutions. Human resource directly restricts hospital culture, management level, service quality and medical quality, so the management of human resource is the focus and key of the whole management of the hospital. Strategy and organizational culture are important variables in designing human resource management and human resource strategy.

Designing strategic human resource management (SHRM) that aligns with the hospital's SWOT analysis, strategy, culture, and staff resignation is an essential factor in achieving success in the healthcare industry. In this regard, a conceptual framework can be developed SHRM that focuses on employee attracting practices, development practices, and retention practices as shown in Figure 1.



SWOT model is used to analyze the advantages and disadvantages of the hospital and determine the strategic human resource management. The process is divided into five parts and the sources of competitive advantages to determine the further implementation of human resource management strategies. This study examines the strategy, culture and current human resource situation especially in term

of the problems and employee resignation of hospitals as the basis for designing human resource management.

Hospital human resource management department has the function of guiding, standardizing, motivating and condensing in the construction of organizational culture.

- 1. The human resource management department can guide the core construction direction of the organizational culture of the hospital through performance assessment, professional training meetings, medical staff position competition, staff mutual evaluation activities and other measures, so as to promote the consistency of the development goals of the medical staff and the hospital, and effectively enhance the sense of belonging of the staff.
- 2. The human resource management department of the hospital can organize cultural construction activities to effectively regulate the behavior of employees, and then effectively make up for the management loopholes in the scientific management system, experience management system and rules and regulations of the hospital.
- 3. With the incentive function of human resource management department to motivate employees to independently understand and effectively recognize the importance of organizational culture construction, the hospital can successfully build a good cultural atmosphere and fully stimulate the enthusiasm of grassroots medical staff and management cadres.
- 4. Under the guidance of human resource management department, the establishment of personalized organizational culture is helpful to increase the centripetal force and cohesion of organizational members.

Strategy is the guide and important basis of human resource management, and human resource management is the key link to implement the strategy. It is the whole process of predicting the human resource needs of the organization, making plans for human resource needs, recruiting and selecting personnel, effectively organizing, assessing performance and paying remuneration, effectively motivating, and effectively developing in combination with the needs of the organization and individuals in order to achieve the organizational performance. The design of human resource management activities from the organizational strategic level can comprehensively improve the mechanism of human resource selection, development, retention, which is conducive to the organization to obtain sustainable competitive advantages, maximize organizational performance, and finally ensure the completion of the strategic objectives of the organization. The lack of strategic attention and application in primary hospitals is still the main problem at present. The lack of strategic thought or strategy means that human resource management has no clear goal and direction, lacks the guidance of

people-oriented concept, lacks the vision of staff and the organization to grow together and make progress together, cannot fully mobilize the initiative of hospital staff, and cannot effectively promote the realization of hospital organizational goals.

The 5P model integrates various human resource activities with strategic needs. Whether these activities in the 5P are strategic depends on whether they are systematically linked to the strategic needs of the hospital.

The Human Resources Philosophy reflects how an organization views its human resources, what role human resources play in the overall hospital success, and how to treat and manage human resources. This statement is generally general and can be translated into more specific actions at all levels of the organization. This is the mission, overall vision and goals of the hospital business area. XYZ Hospital is designed to become a regional medical center that enjoys a good reputation in Chengde, has wide influence and distinctive characteristics.

Human Resources Policies provide guidelines to address business issues related to people and to develop human resources plans and rules based on strategic needs. Among them, people related business issues are those that involve people and affect the current and future success of the hospital. They stem from strategic operational needs, including being designed to attract skilled and qualified candidates for hospitals. The framework can include recruitment strategies such as job postings on relevant websites and job portals, social media advertising, employee referral programs, campus recruitment, and partnerships with employment agencies. These strategies can be combined with a hospital's SWOT analysis, hospital strategy, and culture to attract the best fit staff for the hospital.

Human Resource Programs is formed according to the human resource policy. It represents the coordinated human resource activities with the specific purpose of initiating, delivering and supporting the strategic organizational change activities necessary for strategic business needs. These activities may begin at the highest levels of the organization and work their way down; they can also start somewhere else, or even in two places at once. Human resource plans can be initiated, disseminated and sustained for a variety of strategic organizational change activities. However, these activities have several elements in common. First, they are driven by the strategic intent and direction of the hospital. Second, they relate to human resource management issues, that is, they represent significant people-related operational problems that need to be addressed with significant organizational change activities. They also share strategic objectives against which the effectiveness of the program can be measured. Needs to improve employee productivity or reduce health care costs. Other people-related

issues include the development of a top executive from within the internal management staff, the development of an adaptable and skilled workforce in response to changing environmental conditions, and the reduction of the excessive loss of young talent as traditional opportunities for advancement hinder development.

A useful way to understand this component of human resources strategy is to start with the role framework. In general, the roles that individuals play in organizations fall into three categories: leadership, management, and operations. In each case, the behavior associated with a given role should support strategic needs. Due to the complexity of hospital work and the dynamic changes of internal and external environment, the talent policy and talent development planning will face many uncertainties in practice. For example, the personnel management of domestic hospitals is relatively traditional, administrative and mechanical. We need to pay close attention to the practice of talent management, on the one hand to find and solve the problems in the practice of talent management, on the other hand to make appropriate adjustments to the policy and planning of talent development according to the practice.

The Human Resources Process deals with the "how" to identify, shape and implement all other human resources activities. Therefore, it is an important strategic human resource management activity. Strengthen the scientific control of talent management process. Scientific control of the talent management process, supervision and management of every link in the talent management process, including talent training, selection, incentive, use and other processes. The framework can include employee recognition and reward programs, performance feedback, employee engagement, flexible working hours, and work-life balance programs. These practices can be aligned with the hospital's culture to ensure that staff feels valued and respected.

The conceptual framework includes a current HRM problem and focus on staff resignation. It is important to analyze the reasons why staff leave the hospital and identify areas of improvement. Exit surveys can be conducted to gather feedback from departing employees. This information can be used to adjust and improve the strategic human resource management practices, which will increase staff retention rates.

In conclusion, designing a strategic human resource management framework that aligns with the hospital's SWOT analysis, strategy, culture, HRM problems, and staff resignation can help to attract, develop, and retain the best-fit employees. The practices of employee attracting, development, and retention should be continuously reviewed and improved based on feedback from staff and hospital management. This will ensure

that the hospital has a skilled and motivated workforce that is aligned with the hospital's goals and objectives.

#### **Definition of Terms**

**Primary hospitals** refer to small hospitals with inadequate infrastructure in Chengde China.

Hospital operation refers to make strategic planning and deployment for future development according to the needs of medical staff and my own resource advantages. Define the hospital's vision, strategic goals, and basic implementation strategies. To solve the scale, direction and characteristics of the development of the hospital.

Hospital strategies refer to the comprehensive plans, goals, and initiatives that hospitals use to achieve their objectives and fulfill their mission. These strategies can encompass a broad range of areas, including but not limited to patient care, staff management, financial management, community outreach, and technology adoption.

Hospital culture refers to the cultural norms set up for the reasonable regulation of the values, working attitudes, working relationships and individual behaviors of the internal staff in the hospital. It is the coordinated and unified value system among the internal members gradually formed in the long-term development process of the organization, which can make the organization more collective characteristics and development advantages. Moreover, the reasonable construction of organizational culture is also helpful to resolve the contradiction between individual goals and organizational goals and between the managed and the manager. In other words, the establishment of organizational culture in grassroots hospitals can not only effectively resolve the contradictions between doctors and patients, but also alleviate the contradictions between hospital managers and grassroots staff.

**Employee attracting practices** refer to the attract skilled and qualified candidates for the hospital include recruitment strategies, such as job posting in relevant websites and job portals, social media advertising, employee referral programs, campus recruitment, and collaboration with employment agencies.

**Human resource development** practices refer to training and development opportunities to the staff include mentoring, coaching, workshops, online training, and professional development programs.

**Retention practices** refer to the practices to improve employee engagement and motivation, which can lead to reduced staff turnover rates include employee

recognition and reward programs, performance feedback, employee involvement, flexible working hours, and work-life balance initiatives.

Management innovation refers to apply the new management mode and new management tools to the management practice of the hospital in order to achieve the goal more effectively.

## **Expected Benefits**

- 1. To innovate the hospital's human resource management system and clarify the relationship between high efficiency and the hospital, which will enable leaders to maximize the service effect.
- 2. To explore and establish feasible programs for employee attraction, development, and retention, which will improve employees' sense of belonging and contribute to the overall performance of the hospital.
- 3. To provide scientific, reasonable and feasible human resource management strategies for primary hospitals, so as to optimize the structure of human resources, improve employee satisfaction and work efficiency, so as to improve the overall development level of hospitals.
- 4. It can provide useful reference for the medical industry, provide inspiration and reference for the human resource management of other medical institutions, and promote the overall development of the medical industry. At the same time, it can promote the deepening of academic research and provide new ideas and methods for the research of human resource management.