

Trends and Priorities for the Human Capital Committee

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COVID-19 has not only accelerated dramatic shifts within the healthcare industry, it also has become a catalyst for change in workforce strategies. This chapter highlights key trends and priorities for the human capital committee to consider as it plans for the upcoming year and beyond.

- 1. New sourcing models:** Traditional sourcing models are proving ineffective in addressing widespread workforce shortages, accelerated retirements, increasing employee burnout and changing skill requirements. Organizations facing wild swings in clinical staffing demands are considering various options, including outsourcing, traveling nurses, international staff and returning retirees. The committee should address strategic staffing needs and sources taking into account the increasing cost of talent on the open market and the demands on the internal talent pipeline.
- 2. Workforce flexibility:** Many organizations have adopted remote work policies or hybrid business models out of necessity. However, remote work for employees directly involved in patient care and service is not possible. The committee should consider the pros and cons of approaches to attract remote workers where viable, but also should aim to improve the onsite employee experience. Improvements may include flexible work hours, commuter allowances, childcare services, dining lounges and career advancement opportunities.
- 3. Employee engagement:** Employee engagement can have a significant impact on organization culture, financial results, patient experience and quality of care. Scorecards capturing employee survey results can identify areas of strength and weakness. The committee should understand the key drivers of workforce engagement to help direct cultural change, focus on key improvement areas and reduce turnover.
- 4. Reskilling and upskilling:** Research has highlighted the criticality of strengthening talent pipelines and building workforce skill sets to respond to shifting organizational priorities and external (market) supply pressures. The committee should review plans to bolster the talent pipeline through a combination of reskilling/upskilling, professional development and training efforts.
- 5. Integrated total rewards strategy:** Despite COVID-19's disruption to the workforce, total rewards strategies have failed to evolve. Organizations continue to address compensation

and benefit programs in silos as part of their talent acquisition and retention strategy. The committee should consider an integrated total rewards strategy with marketdifferentiating programs that can attract and retain an increasingly diverse workforce. Considerations include total rewards portfolio management with an assessment of the cost, value and impact of various programs on recruitment, retention and engagement; differentiated benefit offerings allowing for more individual choice and flexibility to recognize generational or varying workforce needs; and greater communication to highlight the value (short- and longterm) of total rewards programs.

6. **Increased focus on employee health and wellbeing:** COVID-19 and increasing workload demands continue to take a toll on employees' mental and physical health. Family health issues and childcare needs create additional pressures. Consider whether a range of improved benefits offerings (such as mental health services, paid medical leave, enhanced sick and disability pay, flexible paid time off and childcare) will help to increase retention and improve employee wellbeing.
7. **Diversity, equity and inclusion (DE&I):** Healthcare leaders recognize that advancing DE&I in the workforce is an important step toward advancing health equity and improving organizational performance. Addressing racial and gender bias is also a way to help attract key talent and create a diverse and equitable workplace. The committee should track progress on meeting DE&I goals by considering best practices and market trends.
8. **Social responsibility:** Organizations are considering their social responsibility to the communities they serve. Hiring programs that promote employment for those with a criminal record allow a second chance for individuals who have struggled to find meaningful employment. Other evolving initiatives include living wage (versus minimum wage) efforts and enhanced career opportunities for entry-level roles that are often filled by local residents. The committee should identify opportunities to demonstrate social responsibility in human resources (HR) practices.
9. **Reimagined HR operating models:** Market pressures have forced HR leaders to assess and transform HR operating models to ensure agility, maximize cost efficiency and address employee needs. The committee should evaluate HR's efforts to evolve from an operational and tactical function to a strategic business partner to support this transformation. Considerations include building responsive service delivery teams; developing efficient standard HR processes, systems and policies; and creating a business-savvy talent pool that can work with managers to solve problems and address workforce issues.
10. **Digital transformation:** The pandemic has accelerated the development of innovative technology designed to support healthcare's digital transformation. These advancements have also played a key role in supporting the HR transformation process. The committee should review efforts to provide education and training to democratize technology and empower employees to utilize this skill set.

When implementing a more holistic approach to managing human capital, healthcare leaders and the human capital committee should aim to find the appropriate balance between controlling costs and maximizing value as they look to retain and recruit the talent they need to meet organization objectives and support employee wellbeing.

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