

# Central Columbia Hospital

## **Scenario C:** Talent Development

## PROJECT TEAM

<b>Author:</b>	Steve Riccio, Ed.D., SPHR
<b>SHRM project contributor:</b>	Bill Schaefer, M.A., CEBS, SHRM-SCP Nancy A. Woolever, M.A.I.S., SHRM-SCP
<b>External contributor:</b>	Sharon H. Leonard
<b>Copy editing:</b>	Katya Scanlan, copy editor
<b>Design:</b>	Jihee Kang Lombardi, freelance graphic designer

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**Please note:** All company and individual names in this case are fictional.

For more information, please contact:

SHRM Academic Initiatives  
1800 Duke Street, Alexandria, VA 22314, USA

**Phone:** (800) 283-7476

**E-mail:** [Academics@shrm.org](mailto:Academics@shrm.org)

# Central Columbia Hospital: Overview

Central Columbia Hospital was founded in 1889 as a nonprofit, community-based health care facility in northeastern Pennsylvania. This 116-bed, acute care facility employs 963 employees and is nestled along the Susquehanna River's northern branch in Briar Creek. The facility provides general medical and surgical services to the surrounding community of approximately 70,000 people. The hospital is proud of its tradition of upholding its mission to these communities by providing comprehensive health care services in a compassionate, caring and cost-effective manner while maintaining the highest level of professional excellence. The hospital is in the process of a yearlong celebration commemorating its 125th anniversary by partnering with the community for free monthly health screenings, hosting a summer carnival on the hospital's grounds and reaching out to local elementary schools to provide free healthy lunches each week.

Dr. George Stiller has served as the hospital's board chair for the past six years and is an obstetrician/gynecologist (OB/GYN) in the community. Stiller has lived and practiced in this community for more than 37 years and has delivered many employees of the hospital. He is known for being kind, gentle and truly caring, and can recall almost everyone in the hospital by his or her first name. Employees often seek Stiller's sympathetic ear to express concerns about everything from staff-to-patient ratios to the cafeteria food. Stiller takes a hands-on approach to his duties as chair and voiced strong concerns about the hospital's recent national search for a new president and CEO. Stiller pushed to keep the search close to home and cautioned the board of potential consequences to hiring a noncommunity member into such a pivotal role. In the end, however, the board launched a national search that resulted in hiring Anita Green. Green previously served as the chief operating officer for two community hospitals in Michigan and Indiana. Although Stiller plays quite a visible role in his position, the balance of the board members see their roles as ones of governance, not focusing on daily operations. As a matter of fact, most agree the day-to-day decision-making should be left in the capable hands of Green. Green knows that Stiller wanted to keep the president and CEO search at a local level. This created some tension between them when Green arrived to Central Columbia, and this tension still plays out occasionally during board meetings.

Green has been with Central Columbia Hospital for a little more than three years. When she joined the hospital, it was financially hemorrhaging from every service line. In the past three years, however, she and her team have turned obstetrics, radiology, gastrointestinal, and out-patient laboratory and surgery into revenue-producing service lines. Green is still concerned about emergency services, general surgery, orthopedics and critical care services. She knows that staffing these services with competent and experienced staff is essential to getting these areas to perform at the levels needed to make the hospital financially solvent.

Green knows that other areas of the hospital also need attention. Compliance in this heavily regulated industry continues to create substantial challenges, including a strain on the hospital's human resources (HR). Green feels the hospital is vulnerable to legal risks without a position completely dedicated to addressing HIPAA (the Health Insurance Portability and Accountability Act), Medicare issues, and regulations associated with the Pennsylvania Department of Health and the Joint Commission's criteria such as staff educational requirements, orientation documentation, patient care, and safety protocols and procedures.

Green has asked the board to approve a corporate compliance officer position as a member of the executive team. The current risk manager, William Toth, has said that he is not interested in expanding his scope to encompass all compliance issues and prefers to stay focused on patient safety goals. He has made great strides in the internal reporting procedures for patient-care incidents, and although the numbers are higher than they were two years ago, Toth sees this as a success because the hospital now has a better understanding of the issues and has started processes to implement appropriate changes.

Patient satisfaction has been on the rise, but it is still well below where Green and her team would like it to be. With an overall patient satisfaction rating of 78 percent, Green and her team know there is still a lot of work to do to reach a 90 percent satisfaction rate (a goal that is 5 percent above the national average), a target she set shortly after she arrived at Central Columbia. Although many patients feel the care is competent, the hospital still lags in satisfaction regarding communication of medical care to patient and family members and timeliness of treatment. The executive team, including the newly appointed vice president of patient care services and chief nursing officer, Ann Romero, has suggested that these scores may reflect a delay by nursing staff to inform attending physicians of a patient's status. Others on Green's team are concerned that her patient satisfaction goal is too lofty too soon, and they feel it has caused stress and morale issues in several areas of the hospital.

Green set the 90 percent patient satisfaction rate goal as a result of a patient and employee satisfaction survey conducted two years ago. Since then, the hospital has continued to participate in the survey process on an annual basis. These surveys have provided valuable data that have allowed Green and her team to establish several operational and patient care improvement initiatives. Green used the weeklong celebration of National Hospital Week in May to share the results with employees during her town hall talks. Green has used several occasions such as National Hospital Week to celebrate and educate employees on the important work they do and the reasons why it is necessary to continue to improve. Green has addressed several questions regarding the rumors of mergers during these meetings, and she is always candid about the real possibilities and the need for improvement.

**Table 1. Patient Satisfaction—Most Recent Annual Report (Compared to Peers, State and National Average)**

Percentage of patients who:	Central Columbia	Competitor A	Competitor B	State Average	National Average
Reported that staff “always” explained medicines before administering.	59%	57%	63%	62%	64%
Reported that their room and bathroom were “always” clean.	65%	70%	73%	73%	73%
Reported that the area around their room was “always” quiet at night.	54%	52%	48%	54%	61%
Reported that yes, they were given information about what to do during their recovery at home.	86%	86%	87%	86%	85%
Gave their hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest).	62%	66%	75%	69%	70%
Reported that yes, they would definitely recommend the hospital.	62%	69%	78%	69%	71%
<b>Overall</b>	<b>78%</b>	<b>81%</b>	<b>71%</b>	<b>84%</b>	<b>85%</b>

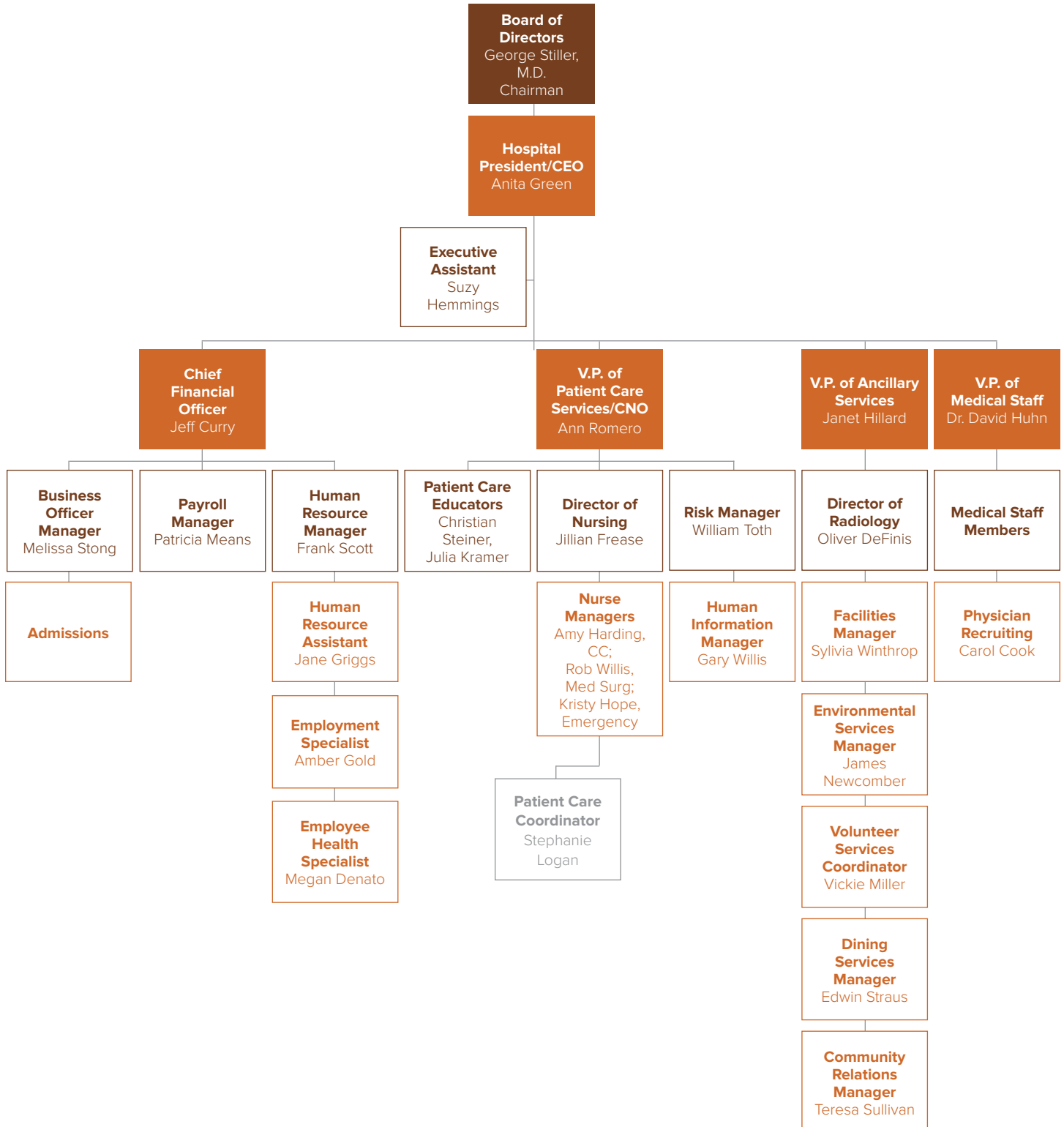
**Table 2.** Selected Results from the Most Recent Cultural Assessment—Survey of All Central Columbia Hospital Employees

Question	Previous Year	Current Year
I would recommend employment here.	66.0%	62.3%
I am proud to work for this organization.	73.2%	71.6%
I often leave work with a feeling of satisfaction.	82.4%	83.1%
I have considered leaving during the past six months.	47.8%	51.5%
I feel there are opportunities for long-term growth at the hospital.	62.3%	60.4%
I would recommend the hospital to others considering health services.	78.2%	77.0%

In addition to the changes Green is suggesting in the compliance area, she is also working closely with the current HR manager, Frank Scott. Scott has been with the hospital for 26 years and has been successful at processing the transactional work required to meet employee demands. It has become evident to Green, though, that Scott does not possess the knowledge and leadership skills needed to move this function to a more strategic level. Green is hoping to convince her executive team that it is time to begin a search for an individual who can move the HR function from being reactionary to one that will be instrumental in transforming the hospital. Scott currently reports to Jeff Curry, chief financial officer, but Green's vision is to have the vice president of HR report directly to her. Green's short list of issues for HR seems to grow longer every day, and she needs that function to partner with her to ensure success. Compensation, hiring practices, retention, talent identification and development, and diversity are just a few of the items that Green knows need to be addressed by the hospital to remain competitive.

This freestanding community hospital has also been faced with maintaining its independence while being surrounded by two larger, growing health care systems. Although the hospital has been successful to date operating independently, the increased demand for specialized services and the shrinking reimbursement and payment for services are forcing Central Columbia to evaluate two possible moves to assist in providing the most comprehensive short- and long-term health care possible to the communities for which it cares.

**Figure 1.** Hospital Organizational Chart



**Table 3.** Employee Count by Ethnicity and Gender

<b>Total Number of Full-Time Employees: 963</b>		
<b>Ethnicity</b>	<b>Number of Employees</b>	<b>Percentage</b>
White (Not Hispanic)	788	81.8%
Black (Not Hispanic)	95	9.8%
Hispanic	64	6.7%
Asian/Pacific	16	1.7%
<b>Gender</b>	<b>Number of Employees</b>	<b>Percentage</b>
Female	541	56.2%
Male	422	43.8%
<b>Job Classification</b>	<b>Number of Employees</b>	<b>Percentage</b>
Exempt	433	45.0%
Nonexempt	530	55.0%

# Scenario C:

## Talent Development

### Players

- Janet Hillard, vice president of ancillary services
- Frank Scott, HR manager

### In Janet Hillard's office

“I’m not sure what I will do if we lose her, Frank.” Janet Hillard, vice president for ancillary services, was referring to Sylvia Winthrop, facilities manager, who has worked at the hospital for seven years after a successful career in management consulting. In fact, Winthrop’s last client was Central Columbia before Hillard offered her the role she has today. Hillard continued, “I’m not planning on going anywhere anytime soon, and I know Sylvia has higher career aspirations. Also, her mother recently became ill, and she has talked with me about the possibility of moving closer to her.”

This was part of a broader conversation Hillard was having with Frank Scott, HR manager. Each year, Scott held a one-on-one discussion with each division head of the hospital to discuss the current organizational structure, potential personnel changes and other HR challenges facing the division. Scott was asked to use this model by Anita Green, president and CEO, shortly after she joined the hospital. The HR director at the hospital where Green last worked facilitated these conversations, and she felt they forced each unit to take a deep look into its talent pool and address future staffing challenges. Green expressed concern shortly after her arrival that HR was not positioned effectively in the organization to appropriately address the human capital challenges. To her, having one-on-one meetings with each senior officer was an approach HR could use to elevate its position as a business partner at the hospital.

Hillard continued, “Besides Sylvia, we don’t have anyone whom I would consider an ‘A’ player on my team. Sure, most are dedicated to the hospital, have performed admirably and can step up when asked to in the short term, but I’m also thinking about the division five years down the road. I think many of my direct reports have hit a ceiling as far as potential.” Pausing for a moment, Hillard added, “The bench in my division is not strong. That said, if any of my direct reports leave, not just Sylvia, I see us having to look outside the hospital to replace. And you know, Frank, how difficult it can be to recruit talent for midlevel management positions in this area.”

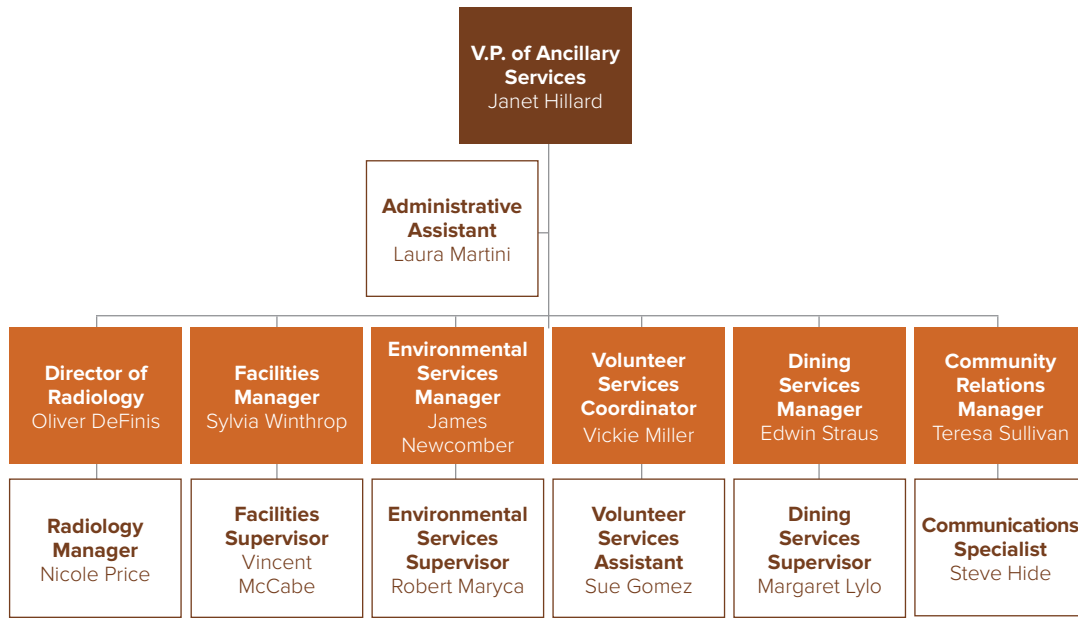
Scott listened intently and added, “I know we are always competing with the larger employers in the region with more resources at their disposal.” Looking concerned after Hillard’s assessment, Scott took a deep breath before asking, “Well, how can we help with developing your team? I guess I’m asking if they really have reached their full potential as you suggest.” Hillard responded in an uncertain manner, “I wish I knew the answer. Your department does a nice job of offering basic supervisory training sessions like performance management and effective interviewing, Frank.”

The HR department outsourced the majority of the training function. Scott wanted approval to hire a person for this role. Until then, he worked with outside consultants by offering supervisory training sessions, including employment law, effective interviewing, performance management and harassment prevention training. Leadership development was an area that had not been addressed at Central Columbia. Development has historically been the responsibility of each division. According to the hospital’s annual culture survey, though, employees felt that opportunities for long-term growth were quite limited.

As Scott thought about the current state of Hillard’s division, he added, “Maybe the ceiling is higher than we think for your team. I would like to explore options about how we can determine their true potential.”

With an inquisitive look, Hillard replied anxiously, “What do you have in mind, Frank?”

**Figure A.** Ancillary Services Organizational Chart



## **SCENARIO C:** **QUESTIONS FOR UNDERGRADUATE STUDENTS**

1. Contrast training and development. Is developing employees the responsibility of the HR department, the divisions, the organization or the employees? Where does the responsibility currently lie at the hospital?
2. Given Winthrop's personal challenges and career aspirations, what advice would you give Hillard if you were Scott?
3. What additional information beyond name and title would be helpful to have when Scott has discussions about existing talent with division leaders?

## **SCENARIO C:** **QUESTIONS FOR GRADUATE STUDENTS**

1. Assess the talent management approach Scott employs with division leaders of the hospital. What are its strengths? What, if any, improvements would you recommend? Would you consider this initiative succession planning? Why or why not?
2. Based on the scenario, how could Scott obtain senior leadership support to address the importance of talent development in the hospital? Provide a development plan that Scott and the HR team could present to Hillard. What data should be used to justify hiring a T&D specialist?
3. Hillard said that HR does a "nice job of offering basic supervisory training." Although offering a variety of training programs to meet the organization's needs is critical, just as critical, if not more, is evaluating the programs being offered. If you were responsible for evaluating the supervisory training at Central Columbia, what tactics would you use based on the programs Hillard identified in the scenario (performance management and effective interviewing)?

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