

Mayo clinic is a non profit business essay



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Mayo Clinic is a non-profit group of medical professionals in different medical fields. MAYO operated on the philosophy that the clients' needs are of primal importance.

Human Resources/staffing: MAYO has a workforce of 49, 300 and 6. 5% of this workforce is doctors, researchers and scientists.

Location: Rochester, Minnesota, Jacksonville, Florida, and Scottsdale/Phoenix, Arizona.

Market position: Among the top medical organizations worldwide.

MAYO takes pride in providing the best care to its patients by putting their needs first. To achieve this end, MAYO operates on a collaborative teamwork approach, honest work ethic and diversity.

MAYO has successfully placed itself among the top medical organizations and should consequently keep building on its strengths. However, like all other organizations in this industry, MAYO has challenges it needs to overcome. Opportunities also exist to focus on its strengths and weaknesses.

SWOT analysis (Strengths, Weaknesses, opportunities and threats)

Strengths:

MAYO has the following strengths:

good market positioning (rated among the top medical providers because of the focus on customer care);

free marketing (word of mouth lowers marketing costs if needed at all);

24 hours service promise to providing a solution to customer needs is generally kept making MAYO an efficient organization;

high end skilled labour;

diversity of the organizations' members;

employees work at 60% of the market cost;

HRM highly involved in aligning staff with the organizations' medical strategy to put patients first;

team work;

well defined management promotion scheme (opportunity for professional growth)

adequate compensation package;

is an attractive employer/medical care provider (a median of 6, 000 allies joined forces in 2007 alone);

Low staff turnover (5% p. a.)

Physicians taking personal responsibility for directing patient care in partnership with the patient's local physician;

The highest-quality care delivered with compassion and trust;

Respect for the patient, family and the patient's local physician;

Comprehensive evaluation with timely, efficient assessment and treatment;

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Availability of the most advanced, innovative diagnostic and therapeutic technologies and techniques.

Mayo has been relatively effective and it has been viewed as a business partner.

Weaknesses:

wages are placed 60% of the market value and MAYO might lose skilled labour due to better financial incentives elsewhere;

waste of time and human resources (as well as finances since MAYO pays for this time) in the recruitment process;

the 24 hour solution approach is costly, puts pressure on staff and may stop the medical team in charge from recurring to a less yet still efficient medical solution;

In contrast to the previous point MAYO offers an unhurried examination of each and every patient with time to listen to the patient (these two points contradict each other and may send confusing signals to employees);

needs to re-evaluate its alignment with SIGMA yet (and to do this, it needs to invest in software);

Its definition of diversity is not reflected in MAYO's approach to employees. Even if low minorities are hired, MAYO fails to reach out to people with special needs but who can still be of service. MAYO also might focus on minorities and forget about the majority of employees and their needs (for instance a type who is not a team player and might need training and

encouragement) (Judge TA, 2002). Moreover, MAYO does not seem to acknowledge the need to mother's time off and resultant packages (although work life balance is promised);

failure to come up with fund raising events to raise more capital;

failure to be innovative in the medical field due to team work (employees might be afraid to stand out) and MAYO would therefore be losing out on cashing in on innovative opportunities;

Stable environment may push away charismatic and transformational leaders (Burns, j., 1978).

A need to utilize specific performance improvement measures, making rapid changes becomes difficult.

HR's role need to be re-evaluated in order for it to be more purposeful and for better people management practices in order to support a wider variety of strategic goals.

Mayo's diversity efforts may have to increase.

Opportunities:

- retain a large sector of high skilled labour;
- Further growth and expansion of clinics;
- Free labour since MAYO's reputation is attractive to students who want to gain good practice;
- Further alignment of HR's strategy to the financial strategy of MAYO.

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- HR function can explore innovative ways to recruit
- U. S. president has promised additional healthcare coverage for uninsured Americans. The healthcare reform plan, as proposed, would provide affordable, accessible health care for all Americans, thereby adding value to MAYO's philosophy and objectives.

Mayo is been viewed as a business partner

Providers and insurers are poised to create new, consumer-sensitive innovations designed to meet individual needs.

Payers and the government will continue to push for better disclosure on what services cost and on the quality of patient care, making transparency an expectation. That is likely to be a divisive force among providers and within integrated groups.

CEOs and other senior executives will be increasingly held accountable for achieving high performance with measured results.

Threats:

current industry trends;

Economic challenges, Hospitals will continue to take advantage of the current period of relative financial stability to make capital investments (Wooten & Decker, 2006).

Continuous challenge of recruiting and retaining skilled employees (due to competitive packages and opportunities in this industry); the pay of medical professionals continues to escalate, so paying at the 60th percentile might

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risk the retention of employees who seek higher compensation.

Dissatisfaction may grow.

Uncertainty as to whether MAYO's compensation strategy is one that attracts skilled professionals when there is a low provision of them.

MAYO is dependent on teamwork and the role of a collaborative workforce becomes critical (perhaps MAYO should have in place a plan B in case of crisis situations such as the decline of available medical professionals);

costs of providing healthcare are increasing;

economic recession;

aging population will increase the demand for medical care and an increase in a demand for specialized treatment is projected;

Mayo is currently operating at or near capacity so the question remains as to whether an increase in patients will allow Mayo to continue providing the highest quality of service to its patients;

Time to fill open positions may lengthen;

Lower number of candidates that meet the hiring profile for Mayo More than 30% of the total workforce is expected to become retirement-eligible in the next 5 - 10 years

5% turnover rate may grow;

MAYO may gain a poor reputation with potential employees (e. g., ' chilling effect') or customers;

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diversity of the workforce does not represent that of the patient and general population;

innovation is highly restricted due to the way MAYO thinks making it difficult for it to keep up with business objectives and competitors;

competitive pressures;

increased consumerism;

regulatory requirements;

Increasing productivity and improving quality and consistency which can seem overwhelming to healthcare facilities with declining reimbursements.

2. How might the recruiting strategies change at Mayo?

- How HR can more effectively contribute to the mission of Mayo.

Brief About Mayo's HR strategies

Mayo's HR team is well equipped with a foresight approach on employees' retention. The recruiting strategy therefore goes beyond the simple recruiting of the right people for the post. Indeed, MAYO's recruitment strategy is twofold: On the one hand, the HR seeks to recruit the best and most appropriate candidate for the job (advanced selective approach). On the other hand, HR takes into account another element; mainly it runs an assessment on how well the prospective candidate can fit with the other members of the MAYO'S team (teamwork approach strategy). Thus, MAYO'S HRM's strategy is a combination of the expertise of the recruit in the intended post and their ability to be team players, thereby embracing HR's

strategy with the business strategy of the organization. Parallel to this strategy, HR employs a foresight approach in to whether the potential candidate has the ability to advance in the organization while being able to maintain team play. A test of whether the candidate's personality is fit (loyal, empathy for others, team player, flexible, firm, strong work ethic and a common sense approach for the greatest good) is also run by MAYO's HRM. Schleifer (2006) acknowledges that these qualities are not only relevant to the employees but also to the actual HR staff.

MAYOS's Human Resources Management has been highly successful:

In retaining useful function employees' with only 5% annually.

In supporting, through its recruitment selection, the philosophy of MAYO to provide the best medical care to its patients.

In promoting a teamwork culture.

Recommended changes in Mayo's HR strategies

While the history of MAYO HRM's strategies has proven successful, the organization needs to keep an eye on challenges that are being faced in the medical world:

Recruitment & Retention: MAYO should cater for the risk of its workforce turning to other medical posts which offer better career packages (recruitment and retention of skilled labour). MAYO should not accept the current recruitment scenario as a one size fits all approach. Neither should its HRM continue to depend on it without considering other recruitment strategies. MAYO's HRM should carry out periodical studies comparing its

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strategies with the market at that point in time as well as with its internal achievements or otherwise failed experiments. MAYO should not be afraid to adapt innovative approaches or add new ideas to their existing recruitment approach.

Parallel to this MAYO's HRM should review its retention strategies since labour retention is a fundamental step to the success of an organization. Therefore, the HRM should keep running periodical surveys and promote an open door policy in order to ensure that all the members of its staff are happy.

It seems that MAYO's HRM fails to take into account the different types of personalities that have been widely recognized as being a fundamental analysis of a successful workplace organization. What concerns the undersigned is the assumption by MAYO's HRM that all those employees recruited are able to work in a team-work, when in high probability this is not the case. The latter oversight might lead to the following problems:

Team work may fail due to the weak link in the chain (an employee wanting to excel may be in aggressive pursuit of recognition which may even surpass the acknowledgment due to some other members of the team (Murphy, 2000). This results in a domino effect having the team player overwhelmed/brushed off by the employee whose main aim is to excel at all costs.

Other members of the team may quit the work because HRM's strategy is no longer credible and team work might be over rated.

Hence, MAYO's HRM should undergo a personality assessment, perhaps even using the help of an employment psychologist to increase its success at recruiting and retaining a skilled work force. Since, in the Mayo's system, employees are expected to get along social integration tends to be challenged. MAYO stands to lose if it gets a reputation of a tough environment and a potential highly skilled recruit may not be interested in the position based on ex-employees' negative experiences. In addition, a lack of competitive reward scheme may lead to passive behaviour since charismatic and transformational leaders tend to underperform in stable environments (Yukl, G., 1999). Consequently, MAYO is losing out on the availability of innovative ideas (N. Sheth, J. & Sobel, A., 2002).

Cost of HR: While HR's role in the implementation of an organization's strategy has been acknowledged, financial statements and "most health care organizations see HR as a drain on the organization's bottom line." This is also true of MAYO's HRM. Firstly, the recruitment process is time consuming and consequently this process should be revisited to render it more efficient as well as to optimize the use of human resources as opposed to waste all the energy on a process that could take place faster. However, this should take place without compromising the hiring practices that have lead to a successful history of employee retention.

Secondly, MAYO is well known for diagnosing a problem and putting the patient on a surgery list of less than twenty- four hours. What MAYO's HRM has failed to calculate is the cost vs. reward of this practice. While it is understood that MAYO's philosophy is to meet the needs of the clients' first, MAYO should also apply a more practical approach in the light that medical

procedures, equipment and technology bear a high end price tag.

Consequently, while a team tier allows a better assessment of clients' needs, MAYO needs to run a two eye principle and ensure that medical procedures are not taking place unnecessarily. It is also being suggested that cheaper alternatives are examined in view of keeping the running costs low.

Thirdly, on a few occasions, teams have been " expanded or taken apart and reassembled" altogether. This practice should be avoided as MAYO's teamwork approach may be questioned not to mention the waste of time and human resources in dismantling and reassembling a team. Lastly, the most innovative method in MAYO'S organization is the approach taken to work (teamwork). The collaborative approach taken in every aspect carried out by MAYO (including policy and strategic planning) is a cumbersome procedure (Cherry, 2012). A diverse more efficient allocation of responsibility allowing everyone's feedback should take place. This new approach should propose a group in charge of different areas to come up with their own policies with the management team having the last say at the top.

HRM and organizational strategy: HR should align their strategy with MAYO's overall strategy. It is not sufficient therefore to align HR's policies with MAYO's philosophy; but HR's policies should also take into account the financial strategies adopted. Otherwise, MAYO's HRM risks to be looked upon solely as an added cost eating away at the organization's resources.

The " Employees must not be rules-driven" approach: In the previous points it was stated that the democratic approach to policy, strategic and diagnosis making was a joint effort of all members (R. A., 1989) (Fiskin, 1991). . In the

profile information about MAYO, a contradiction was encountered, namely, “(e)mployees must not be rules-driven”. This begs the question, what is the point of the cumbersome policy decision making process at MAYO? The financial risk born not to mention the fact that employees are not encouraged to follow rules does not seem to be a healthy approach. Consequently, this statement needs to be revisited and clarified by top level management.

3. What changes to compensation should Mayo consider?

Current compensation approach: MAYO employs an attractive Total Rewards program encouraging collaborative behaviour of its employees since no one is a one man does it all. Time off is paid. Work life balance including the funding of a retirement funded by Mayo and a professional development has also been catered for. MAYO also offers regular salary increases and income protection.

Recommendation 1: While an “ effective compensation system can lead to organizational competitiveness and higher levels of profitability” the strict teamwork approach makes it very hard for employees to stand out without rivalry and competitive behaviours arising. This in turn undermines teamwork effort (Lewin, K., 1950). While the compensation package helps motivate employees, the HR’s imposition of teamwork may serve as a deterrent from outperforming. To cater for this “ Mayo does not employ a performance-based compensation system. However, this defeats organizational competitiveness and therefore lowers chances of profitability. There is no evidence that MAYO has assessed the pros and cons of this. Such assessment is advised as it will allow MAYO to opt for the best option.

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Recommendation 2: Despite the compensation package, wages are only valued at 60 % paid out in similar market. As cost of living increases and with the added pressures of teamwork and fast over 24 hours service, MAYO should diversify both its compensation strategy as well as recruitment process so that it is able to retain employees by being able to meet the compensation level provided by other medical institutions. On a positive note, MAYO's option to review the management job salary structure should be upheld and improved as this is in itself an incentive. Job reviews assessing the happiness or otherwise with the current wage should also continue.

What metrics (qualitative and quantitative) should be used to determine the effectiveness of HR?

The metrics used to determine the effectiveness of HR could include the following:

Recruitment the recruitment of high end skilled labour measured against a personality matrix

alignment of HR's strategy with that of the whole organization

HR's success in keeping to the budget in line with the organization's financial strategy. This includes the ability to attract skilled labour at a feasible labour cost acceptable in the light of MAYO's finances.

Retention of the high end skilled labour (e. g.: low turnover rates with Mayo's turnover being approximately 5% annually.

teamwork resulting in less internal struggles between teams

the ability to resolve disputed between employees themselves and disputed between employees and higher management

reduction in the time taken in the recruitment process (e. g.: a reduction from 35 days to 29 days has been documented)

the number of applicants for posts within MAYO (reflects a positive image of the organization)

The number of personnel actually employed (e. g.: 6000 positions were filled in 2007).

Successful scheduling of staff work time tables, allowing the staff to rest and provide a better service. This ensures that an increase of patients' turnover is not borne only by a few members of the staff thereby resulting in shared responsibility. Moreover, staffs are less likely to demand an increase in wage or recruitment package.

Conducting of surveys " to ensure employees are satisfied with their pay".

one to one meetings (open door policy)

Frequent employee surveys, meetings with employees, and observations help to gauge employee satisfaction.

focus on employee well-being

Policies laying out the general ground rules, principles, values, procedures and policies of the organization (well result in employees being more familiar with what they are expected to do and ensures stability/order).

Re-evaluate the Six Sigma statistical approach that measures process capability- mainly in terms of accuracy and standard deviation (requires the alignment of IT technology).

constant staff training to keep them updated with the latest technologies and techniques (also to include training in the psychology of approach and customer care)

Workforce management.

5. How can Mayo establish diversity goals that help the organization to be more representative? Can the diversity goals help connect to other threats to Mayo's culture? Should Mayo expand its definition of diversity?

MAYO is well known for being an equal opportunity employer. Diversity is therefore one of the main points on the agenda and MAYO has in fact recruited an average of 12% from minorities in 2007 alone and a Diversity Advisory Committee in place.

MAYO's approach and strategy that " people with different skills, backgrounds and beliefs together" can " better serve the patient" does in fact help the organization be more representative.

Mayo has been documented to define diversity " as all the characteristics which distinguish individuals or groups from one another." From an assessment of the status quo of the organization, it seems that MAYO needs to make room for different personalities which might need work and training before being able to be a team player (Waldman, et al., 2001)a. Otherwise,

MAYO stands to lose on good talent if their employees are highly assessed on their ability to be team players.

In brief, society is made of people from all cultures. Having a diverse workforce enables MAYO to better understand and communicate with its clients. However, it had been concluded that MAYO'S definition of ' diversity' has to be given a broader application because in reality even if it maintains that diversity is all " characteristics which distinguish individuals or groups from one another", truth is if a skilled employee not necessarily belonging to a minority group, has poor communication or socializing skills, especially in a team, it is most likely that the employee will not feel welcome and the level of teamwork may suffer as a whole. In addition, diversity of employees does not automatically render MAYO as able to cater for patients needs. Skilled labour and resources will instead fill this need.