Bringing Human Resources To the Table: Utilization of An HR Balanced Scorecard At Mayo Clinic

Myron D. Fottler
Eric Erickson
Patrick A. Rivers

Abstract: Rather than viewing HR as a critical driver of organizational strategy and outcomes, most health care organizations see HR as a drain on the organization’s bottom line. Only by aligning HR with the organizational strategy will HR leaders truly get a seat at the leadership table. HR professionals can overcome impediments and gain a seat at the table by learning the language of business and the ways in which organizational leaders use data to drive their decisions. This article shows how Mayo Clinic uses the popular Balanced Scorecard approach to align its measures of HR performance to the organization’s strategic plan.

THE HR CHALLENGE: NOT BEING AT THE TABLE

Human resources are defined as the people who work in on organization and their relationship with that organization. Other terms used to describe these people are employees, staff, associates, and personnel. The organizational unit which focuses on human resources and has the major responsibility in this area is know variously as human resources, employee relations, personnel, etc. The term human resources has gained widespread acceptance in recent years because it expresses the belief that workers are a valuable resource whose capabilities drive organizational performance (along with other resources such as finances, materials, and information).

Human resources management requires a partnership between the Human Resources (HR) Unit (a staff function) and all line managers. Appropriate employee selection, job design, skill development, performance enhancement, rewards, retention, etc., are all human resource issues which are as relevant to line managers as they are to managers in the HR department. Competitive advantage belongs to organizations that know how to attract, select, deploy, and develop talent.1

An HR strategy refers to an organization’s deliberate use of human resources to help it gain or maintain an advantage against its competitors in the marketplace.2 It is the overall plan or general approach an organization adopts to ensure that it effectively uses it’s people to accomplish its mission, goals, and strategic plans. Implementation of the HR strategy requires specific HR tactics. Strategy precedes tactics.
Human resources are particularly significant in the health care industry because of its labor-intensive nature. For most health care organizations, the nursing staff is a major HR component both because of significant labor costs as well as research indicating nurse staffing is significantly associated with a wide variety of organizational outcomes such as clinical outcomes, nurse turnover, nurse burnout, nurse job satisfaction, patient satisfaction, and patient safety. These outcomes are important because they either enhance competitive advantage in and of themselves (i.e., clinical outcomes, patient satisfaction, and safety) or they are HR outcomes associated with competitive advantage.

The present article addresses the issue of the role (or lack of role) of HR in strategic management of health care organizations. The alignment of HR with the organization’s business strategy is a crucial determinant of competitive advantage. However, the failure to incorporate HR in strategic planning represents a policy failure on the part of many health care organizations. The process of such alignment is illustrated using Mayo Clinic as an example. One might also suggest nursing also needs to be “at the table” during strategic planning. While this makes a great deal of sense, that topic is beyond the scope of the present article.

**THE CHALLENGE**

For the overwhelming majority of organizations, human capital costs are their greatest area of expense. The human capital of an organization is also the greatest lever on organizational outcomes: the talent exhibited by the people in the organization is what truly drives the value of its brand. In a recent study, it was shown that those organizations with the best human capital management deliver more shareholder value than organizations whose practices are lacking. Despite this, the leaders of the human capital management function in organizations—human resources—are typically not invited to the leadership table and thus are often performing an ancillary role in developing and driving the organizational strategy.

Why would such a critical element of organizational performance not be at the core of all strategic decision making? Partly, this is due to historical precedence. If organizational leaders need critical data, who is typically the “go to” department for this information? More often than not, they turn to the Finance department, for the same reasons an infamous bank robber once stated he robbed banks because that is where the money is.

But while the majority of a firm’s money is tied to human capital commitments, most health care executives do not expect HR to provide needed critical data because HR professionals do not usually speak the language of business. They perceive that HR leaders manage the internal social work function of the organization, not a function that is tied to financial outcomes. This is clearly a barrier to HR holding a seat at the strategic table. Unfortunately for HR, because of the long history of functioning simply as the personnel department, leadership’s first perception of HR’s impact on the organization is not likely to be one of strategic impact. This prevailing perception is a difficult one for HR to change, but it must change. Perhaps management guru Tom Peters states it best, when he writes, “HR people are a classic example of ‘staffers’ who are looked upon with suspicion … as the ultimate paper-pushing, form-demanding, ‘just say no’ bureaucrats.”

Compounding this perception is the typical leader’s view that HR professionals have their collective heads in the sand—while they fight to add costly programs to support employees, they are oblivious to the business needs that are driving the decisions to adopt or deny these programs. While this is not an accurate reflection of HR leaders’ knowledge of business issues, neither is the prevailing perception that HR practitioners have of their organization’s senior leadership—a perception that CEOs have their heads in the clouds and are not aware of what it going on in the trenches of the business. The perceptions from both sides are inaccurate, but these prevailing perceptions contribute to the barriers HR encounters while attempting to earn a seat at the table.

HR as a discipline has gotten much better at using analytics to measure, track, and trend performance, but often these measures are not focused on what is occurring outside of HR. To truly be strategic, HR needs to align it efforts and the measurement of its efforts with the organizational strategic view.

**KNOWING DOWN THE ROADBLOCKS**

To begin to knock down the roadblocks preventing HR from having a seat at the table, HR must position itself as a “go-to” department. This means moving away from the traditional warm and fuzzy emotion-based approach of HR professionals, to an approach that provides critical data and interpretations that drive business outcomes. HR as a discipline has gotten better at establishing data elements, but where HR still falls short is in using the proper language in its interpretations of data. HR quite simply has to learn the language of business and provide interpretations that speak to the most critical measurement—dollars.

To begin to learn the language of business, HR professionals should adopt a methodology often used to learn foreign languages: immerse yourself in the culture. Typically, HR professionals are not very well versed in the prevailing business literature, buzzwords, concepts, etc. Their focus needs to change from people support
functions to driving the outcomes and the numbers that substantiate the efforts of people. While a good portion of HR’s strength as a discipline will always be its focus on people practices, it needs to weave in an understanding of the business drivers that necessitate HR’s existence. Some HR practitioners tend to see themselves as being outside of the business engine when in fact they are integral to its function. HR needs to embrace business practices and find its place in the continuously evolving cycle of organizational improvement. HR professionals need to immerse themselves in the world of business to learn the language, learn how numbers are used to support strategic decisions, and facilitate the pace of change that is at the foundation of the current business climate.

HR as a discipline has been on-board with the HR metrics movement. What HR has not yet grasped is how these numbers may be used to drive business success. Traditionally, HR departments would churn out reams of reports showing detailed lists of employee-related data. This approach makes sense if, like the typical HR professional, you see executives who request this data as mere bean counters who rely on every minute detail to support their decisions. What HR professionals do not realize is that in practice executives use this information to validate current directions or to identify new directions, not to weed through details in an effort to piece together a puzzle. The speed with which information is provided and the ability to provide quick executive summaries takes precedence over detail—good data are close enough. It does not have to be perfect, nor should executives need to wait for data to get scrubbed to perfection.

When decisions are made as quickly as is demanded by today’s business climate, executives cannot afford to wade through details, and thus it is the responsibility of HR to turn the data into information that can support decisions. As stated by one manager who, like most, is drowning in data, “Our management information system is really good at giving us data. It should be renamed the Management Data System. The people involved never seem to have time to turn the data into information.”

HR should be providing context and interpretations of trends indicated by the data—not the details that lie beneath. This is a change for HR practitioners, who traditionally have churned out the reports and allowed others to interpret and ultimately make decisions. For HR to gain a seat at the table, it must garner the strength and courage to interpret the data in terms related to strategic goal attainment, and then provide advice to support the decisions being made. This approach assumes more risk than the old approach, but also provides more benefit. HR needs to find the courage to assume these risks if it is to demonstrate it can contribute to attainment of the organization’s strategic and financial goals.

To find this courage, HR will first need to abandon a prevailing concept held by the industry—that HR must partner with leadership. So long as HR holds the partnership mindset, it will continue to be relegated to an ancillary support function. Instead, HR needs to lead with leadership, not partner with leadership. It is a subtle but important difference. To lead with leadership means that HR leaders trust their read of the business horizon and maintain confidence that they can make decisions that lead the organization in the proper direction based on the critical human capital information. Rather than allow others to take the lead and then figuring a way to support the direction, HR leaders need to assert their role in defining the direction. This is what happens at the leadership table, and if HR is to attain a seat, it must demonstrate its worthiness to be there.

Perhaps without realizing it, HR as a discipline has not been leveraging a direct way for it to knock down the roadblocks that are keeping it from a seat at the table: showing how it can be the brand lever. As posited by Tom Peters, talent is synonymous with brand; as he puts it, “TALENT = BRAND. And BRAND = TALENT.” In today’s business climate where competitive advantages are rarely sustainable over the long term, the one variable that can sustain this advantage is human talent.

As controllers of the pipeline of talent coming into the organization and flowing out of the organization, HR is in an enviable position to have the greatest impact on the outcome of the organization. Unfortunately, HR does not realize it is in this position. Realization would be the first step, and demonstrating the value of the HR function and how it contributes to the bottom line would be the second. An HR practitioner may ask, “We know our value, but how do we demonstrate this to leadership?”

As outlined previously, if HR is truly speaking the language of business, the answer is simple: return on investment. This is how the value of other business decisions is determined. The value of human capital decisions should be no different, and HR must understand how their value folds into the big picture of organizational outcomes by asking some elementary questions:

1) How does the effectiveness of the recruiting/selection function drive the bottom line?
2) How and in what areas does our employee turnover cost the organization?
3) How do our efforts to develop our talent drive organizational effectiveness?
4) Is our investment in human capital a strategic investment with a positive ROI?
If HR is ready it will answer these questions, it is ready for a seat at the leadership table and is ready to become part of the organization’s “triangle of influence.” One group has proposed that to maintain future success, organizations will have to be led by a “Triangle of Influence,” a closely coordinated linkage of the Chief Executive Officer, the Chief Financial Officer, and the Chief Human Resource Officer. The fact that few health care organizations even have an individual titled Chief Human Resource Officer shows how far this discipline must come before this arrangement becomes commonplace. Still, the point is well taken: the oversight of human capital takes a center seat as much as the oversight of financial capital—both are critical to accomplishing the organization’s mission.

With the projected skilled labor shortage on the horizon, this triangle of influence will become even more critical and HR must position itself for a seat at this table. As an example of how one organization aligned its HR function with their organizational strategy, we look to how Mayo Clinic HR personnel in Scottsdale, Arizona, positioned their measurement efforts to support the organization’s strategic plan.

**MAYO CLINIC: A CASE STUDY**

Mayo Clinic in Arizona is part of the charitable, not-for-profit Mayo Clinic Foundation, a foundation with three primary sites located in Rochester, Minnesota, Jacksonville, Florida, and Scottsdale/Phoenix, Arizona. At its three locations, Mayo Clinic thoroughly diagnoses and treats complex medical problems in every medical specialty and is known for its world-class health care. As of December 31, 2004, Mayo Clinic was serving over 500,000 unique patients annually and had over 47,000 employees, physicians, residents, and researchers (over 4,100 at the Arizona site).

The Division of Human Resources at Mayo Clinic incorporates functional oversight of recruitment and retention, leadership development, physician relations, compensation, benefits, HR information systems, organizational development, safety, corporate compliance, and diversity. Historically, key measures had been analyzed on an as-needed basis, but HR was lacking a systematic approach to capturing measures that were purposefully tied to Mayo Clinic’s business strategy.

The senior physician leadership of Mayo Clinic Arizona had developed a Strategic Plan that outlined six objectives that would bring about its vision: to become the premier academic medical center in the Southwest United States. The Strategic Plan addresses some simple questions for Mayo Clinic:

1) Who are we?
2) Where do we want to go?
3) How will we get there?
4) How will we measure our progress?

As the Strategic Plan was being rolled out in 2001, the leadership of HR saw this as an opportunity to align its efforts with the strategy. To do this, HR developed a Balanced Scorecard report that included measures that would support the six objectives noted in the organizational strategic plan.

The Balanced Scorecard is a strategic measurement approach developed in the 1990s from the Harvard Business School. The approach stresses measuring the outcomes of an organization in a “balanced” fashion that includes not only the traditional financial measures but also measures focused on customer satisfaction, internal processes, and the learning and growth of the organization. Thus, measures were developed that fill these four measurement quadrants: financial, customer, internal, learning, and growth. In addition to the four-quadrant balanced measurement approach, HR utilized the not-for-profit strategy map. HR used its internal measures and aligned each with a particular area of the strategy map to assure that measurements were not being carried out for measurement’s sake—measurements had to support the mission. A visual representation of this map is shown in Figure 1.

Note that in the strategy map for a not-for-profit, four questions are asked whose answers support the organizational mission. These four questions support each of the focal quadrants of the Balanced Scorecard approach as follows:

- Financial: “If we succeed, how will we look to our financial donors?”
- Customer: “To achieve our vision, how must we look to our customers?”
- Internal: “To satisfy our customers, financial donors, and mission, what business processes must we excel at?”
- Learning and Growth: “To achieve our vision, how must our people learn, communicate, and work together?”

To ensure that HR’s measurement efforts would support the strategy, existing and potential metrics from the various HR functional areas were collated with each metric slotted into one of the Balanced Scorecard quadrants. Preference for Saratoga Institute standardized HR measures was noted, as the Saratoga Institute was considered by Mayo to be the gold-standard metric-related organization for HR. Use of Saratoga measures allowed for benchmark comparisons to the health care industry specifically, although the institute does assess HR-related measures across all industries. A method of data storage for these metrics was developed by Mayo Clinic HR Information Systems personnel so
that longitudinal trends could be developed in each category.

Metrics were separated in two categories for reporting purposes: diagnostics and dashboards. Diagnostic measures are intended to be measured at the end of a predefined time period (e.g., quarterly or annual measures). They are chosen as performance indicators to be monitored at particular mileposts—mileposts that capture what has occurred over some past period. Dashboard measures by contrast, may be monitored daily, with the intent that critical measures of performance can be monitored in near real time, allowing HR to proactively respond when necessary. Each of these measures was then benchmarked as appropriate and folded into the HR Balanced Scorecard. Metrics that were included in the Mayo Clinic HR Balanced Scorecard are outlined in Table 1.

**FINANCIAL MEASURES**

Financial measures have historically been the bread-and-butter of organization analytics, and they continue

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<td>Turnover/separations</td>
<td>Headcount andAH/PCC* ratio</td>
<td>Staff satisfaction</td>
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<td>Separations by length of service</td>
<td>Recruitment rates</td>
<td>Training participation (%)</td>
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*Allied health to patient care consultant.
to play a critical role in the Balanced Scorecard model. In fact, the typical HR professional may be surprised at how many HR activities directly affect key organizational revenue drivers such as productivity and return on investment. On the expense side of the cost equation, HR impacts expenses across the corporate spectrum because employees are likely the largest source of employer expense.

Many of the financial HR measures chosen by Mayo Clinic are established and monitored across industries by the Saratoga Institute, allowing Mayo to make benchmark comparisons. To illustrate how these measures are used and aligned to the organization’s strategy, consider the metric, “Human Capital Return on Investment (ROI).” Mayo Clinic chose this measure from the menu of available Saratoga Institute HR measures. It essentially measures the return on every dollar spent on employee salaries and benefits. Mayo Clinic HR was able to demonstrate that, in an era of declining healthcare reimbursement that brings about ever-increasing scrutiny to employee-related expenditures, the investment in employees is money well spent. This was an important concept for HR to provide to Mayo Clinic leadership. Also, the year-to-year trend in this measure showed that ROI was increasing, reflecting the improving productivity of employees.

This measure serves the stated organizational objective, “Optimize resources to sustain the practice/mission,” and also aligns with the “…how will we look to our financial donors?” section of the strategy map outlined previously. Clearly, if a potential benefactor of Mayo Clinic were to consider support of the organization’s future, one would want to know that employees are operating at an efficient level and at levels that exceed benchmarked standards within the healthcare industry. In this way, HR is assisting the organization as it works to capture the strengths that will be leveraged to attract capital for growth.

**CUSTOMER MEASURES**

Often when an organization is utilizing the Balanced Scorecard framework, customer-related measures are focused on external customers. For Mayo Clinic’s HR Balanced Scorecard, the customer measures are focused on the customers internal to the organization that HR serves. As an example, HR focused on “Retention by Length of Service” measures to identify demographic pockets where HR might want to institute key retention goals in various internal departments and in critical hard to recruit positions (e.g., RNs and Radiation Technologists). In conjunction with retention measures, turnover/separation measures were also evaluated by employee length of service and benchmarked against Saratoga Institute median levels for each length of service category. In this way, HR was able to evaluate whether there were any unique separation issues that negatively impacted retention.

Separations were differentiated based on the cause of the separation: Involuntary separations were evaluated separately from voluntary separations. Not all turnover is bad—under certain conditions both voluntary and involuntary turnover can be too low—but all turnover is expensive and grabs the attention of leaders. HR’s retention efforts and results not only set the stage for the future talent base of the organization, but they also have a huge impact on financial outcomes.

In Mayo Clinic’s case, the tracking of turnover measures allowed the identification of key turnover concerns. Although Mayo’s overall employee turnover was enviably low, RN turnover was higher than hoped in certain key staff areas and in certain demographic pockets. Identifying this as critical and obviously expensive turnover, a cross-functional turnover workgroup was formed to delve into specific issues in various units that could be contributing to turnover. By utilizing focus groups of personnel to gather input, the workgroup was able to identify key themes that could be remedied. Turnover was ultimately brought into the single digits in a State where nursing turnover had been trending over 20 percent for years.

Measures that surround retention and tenure issues have a direct impact on the patient experience, in that any patient would want experienced, tenured staff providing their care. In this way, these issues point directly to the segment of the strategy map that states, “To achieve our vision, how must we look to our customers?”

**INTERNAL MEASURES**

Measures that reflect the organization’s staffing ratios and HR’s efficiency at supporting these ratios are at the core of the Internal Measures quadrant of the Balanced Scorecard. By monitoring Mayo Clinic’s headcount levels, HR was able to have an impact that the Finance department cannot—headcount levels better reflect the cost basis of employees than do the full-time equivalent (FTE) measures typically provided by Finance. Because all Mayo Clinic employees working a 0.5 FTE or more have benefits utilization impact and thus a benefits cost impact, growth in headcount has the potential to drive up costs at a level disproportionate to the growth of FTE levels.

HR’s dashboard trending of headcount levels allowed Mayo Clinic leadership to institute position control initiatives when trends were forecasting greater than planned headcount growth—HR clearly provided the ability of the organization to manage its greatest expense: employee costs. A goal of being the go-to department for headcount levels would seem relatively simple, but HR often fails to get these dashboard measures in front
of leaders to demonstrate how HR is acting as a good steward in policing the growth in its expense base.

Because the physician is the primary revenue driver, Mayo Clinic also monitored a critical staffing measure related to FTE. The AH/PCC ratio—the allied health staff to patient care consultant ratio—monitors the number of non-physician workers needed to support one patient care physician (non-research scientist physician). This monthly diagnostic measure allowed HR to closely monitor the macro-efficiency of its staffing efforts.

Several other measures were also included that are more typical of recruiting functions—measures such as recruitment FTE to hires ratios, time to fill, cost per hire, etc. These measures were also benchmarked using Saratoga Institute medians for health care. These internal measures align with the segment of the strategy map that states, “To satisfy our customers, financial donors, and mission what business processes must we excel at?” They also support the organizational objective of, “Optimizing resources to sustain the practice/mission,” as well as the objective that states, “Foster a culture of safety, service, and continuous improvement to assure highest-quality patient care.”

**LEARNING AND GROWTH MEASURES**

Mayo Clinic HR also tracked a number of measures that capture the utilization of HR-offered training and education programs. Participation in training and development courses and participation in tuition assistance programs was monitored to analyze how employees are taking advantage of the growth opportunities that are offered. Measures also showed the dollar investment in training and education, so that utilization could be reviewed in context of the trend of dollar investment. These measures were also benchmarked to Saratoga Institute health care medians. In the quickly evolving technological environment of health care, Mayo Clinic was able to use these measures to assure that employees were participating in opportunities provided to maintain and enhance competencies.

By measuring how employees learn and grow together, HR is supporting the component of the strategy map that states, “To achieve our vision, how must our people learn, communicate, and work together?” These measures also support the Mayo Clinic strategic objective of “Nurture a scholarly environment of research and education.”

**SUPPORTING THE STRATEGY**

In the Mayo Clinic example, the use of the Balanced Scorecard approach for HR measures allowed HR to assert the impact of HR operations before organizational leaders and the Board of Directors. As a result, awareness was heightened and HR leaders were invited to the Board table and encouraged to continue to provide measures and monitor progress. When the Mayo Clinic Arizona strategic plan was subsequently revised, HR measures were quickly integrated front-and-center into the organization’s Balanced Scorecard—HR leaders did not have to ask to be included as the importance and impact of HR’s efforts were now clearly understood.

As stated in the review of the various measures from each of the Balanced Scorecard quadrants outlined above, one should be able to begin to conceive how these measures can be mapped to support the organizational strategy. Rather than capturing metrics that solely support HR processes or capturing data that are readily available, measures are carefully selected that can point directly to the organizational objectives contained within the strategy. A visual representation of the non-profit map is again shown, this time with sample HR metrics aligned to various locations of the map in Figure 2.

**TOWARD A NEW HUMAN RESOURCES FUNCTION**

If HR is to make the move toward earning a seat at the leadership table, it must assist leadership in properly viewing employees as an investment, not as a cost drain to the organization. If properly aligned with strategic priorities, HR should be able to substantiate how employees are the lever that drives organizational outcomes.17,18

By earning a seat at the table and by linking outcomes to objectives shared by the CEO and CFO, HR can also make great strides in joining the “triangle of influence.” As mentioned previously, this will take the courage to LEAD. Even though some HR practitioners may be making strides, HR as a discipline has to take the initiative to reserve their seat at the table along with the responsibilities and accountabilities that accompany that seat. HR executives in health care organizations need to work with the leadership team to align HR and business strategies. Among the steps Mayo Clinic has taken to foster an effective partnership between line managers and the HR department are the following:

- Developed some non-HR managerial expertise as part of the training of all HR professionals. This is accomplished by rotating them through various line-management positions prior to and subsequent to their assuming HR roles. The goal is to develop HR leaders who understand customer needs as well as the business as a whole.
- Viewed HR professionals as internal consultants who can provide valuable advice and support to
improve the management of operations. HR provides expertise capable of assisting department managers in addressing the HR problems, planning for the future, and improving utilization of other resources. As in-house consultants, HR managers are concerned with operating goals of line managers and supervisors. This requires an ability of HR executives to understand ROI, costs of capital, cost of turnover, and financial data and to be able to communicate with line managers and consider problems from their perspectives.

- Developed incentives for line managers and HR professionals to work together to achieve common goals rather than a win/lose perspective among different units through the Balanced Scorecard approach described earlier.
- Involved top organizational and division managers in formulating and implementing HR strategies, determining relevant HR metrics, and evaluating the HR value-added.
- Invited senior HR executives to participate on an equal basis with other key managers in charting the organization’s strategic direction. This also requires a leadership team that understands the actual or potential for HR to contribute to strategic goal attainment.
- Continuously evaluated how effectively the HR department was performing its functions in terms of limiting dysfunctional turnover, utilizing its resources in performing HR functions, complying with government regulation, providing useful services to line managers, and assisting the organization to accomplish long-term strategic goals specified in a Balanced Scorecard.

Whether an organization has an explicit strategy as in the Mayo Clinic example, or whether the organization is leading toward a more informal mission, HR can still assure its role as one of the drivers of strategy by using measures that support key performance drivers and drivers of financial outcomes. Once HR does this—if it steps up to the table and fully understands the opportunity before it—HR will truly be a new function that is crucial to the ongoing survival of the organization and the value creation of the brand. HR will be looked upon as the key to the organization’s future.

To achieve this status, HR professionals in health care organizations will need to know their organization’s business thoroughly in terms of the economic, financial, environmental, and technological forces affecting it. As in the Mayo Clinic example, they should become internal consultants known for their expertise and ability to help solve the HR problems of the line managers as well as their ability to address the organization’s business needs.

## DISCUSSION

The present article has outlined the challenge facing the HR function in health care facilities in terms of being “at the table” and being a crucial element in the organization’s strategic planning process. The roadblocks to such alignment/participation was discussed and the organizational benefits outlined. A case study of Mayo Clinic in Scottsdale, Arizona, is used to illustrate one model of how health care organizations might align HR with strategic management.

Based on the assumption that “what gets measured gets managed,” Mayo has developed an HR Balanced
Scorecard approach that measures and monitors a large number of input and output indices in the area of financial, customer, internal, and learning and growth. These are indices that the management team has determined contribute to achievement of goals and objectives in each of the above four areas. In addition, achievement of those goals and objectives in all four areas contribute to the organization’s fulfillment of its mission.

Most of the internal indices under each of the four above areas are HR related and all are benchmarked against national benchmarks in the health care industry. When managers identify large deviations from national benchmarks, the cause is determined and action is taken (if necessary) to move the index to a more satisfactory level. Mayo is also beginning to develop matrices that allow it to determine linkages between some of the HR inputs and outputs (i.e., HR staff retention and customer outcomes such as patient satisfaction).

Results to date indicate that the HR Balanced Scorecard approach will not only bring HR “to the table,” but also result in improved performance in a number of HR indices (i.e., staff retention) and customer service (i.e., patient satisfaction) indices. The process is being continually refined as Mayo gains experience with it. The major focus is on bringing HR “to the table” and then measuring what matters in terms of HR inputs/outputs as well as customer outcomes provides a role model for all health care organizations.

**REFERENCES**


