# STRATEGIES FOR THE IMPROVEMENT OF THE HUMAN RESOURCE MANAGEMENT IN PUBLIC HOSPITALS

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#### Abstract

The HRM improvement strategy concerns the entire sanitary system and it must be correlated and adjusted to the structural areas that are subject to changes. One of the major coordinates of the sanitary system is the development of the professional skills in the sanitary management given that the increase of the efficiency and quality of the medical activity depend on performing management.

Key words: Strategy, improvement, efficiency, quality, sanitary system

## JEL Classification: I1, J4, M5

#### 1. Introduction

The human resources department is the most important resource within an organization and, especially, it represents an essential component of the medical organizations' success and for the proper functioning of the entire health system.

Thus, in the health system, the human resources (medical and non-medical staff) are those which enable the system's operation.

The HRM improvement strategy, as component of the general strategic management, which concerns the entire sanitary system, must be correlated and adjusted to the structural areas that are subject to transformation.

## 2. Contents

After 1989, the sanitary system has undergone significant changes, with structural reforms still in development, with changes influenced by health ministers, who left behind unfinished strategies and enforced incoherent policies and biased decisions as regards the distributions of the funds for investments in the medical infrastructure and equipment, the financial resources required by the development of

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the hospital management and professional training of the medical-sanitary staff, whose salary is humiliating compared to other European countries.

The consequences of such *whirl of changes* have become obvious and thus, Romania has lost a significant part of its good and performing doctors, who emigrated in mass and those who remained, have been encumbered with additional unpaid overtime, having direct repercussion on the patients while mal praxis cases have increased in number.

Therefore, the current strategy of the national health system is focused on several major areas:

- To develop professional skills in the sanitary management
- To prepare and implement coherent sectorial policies regarding the professional training and development of the sanitary-medical staff and the distribution of the necessary financial resources
- To decentralize the training system for the resident doctors
- To improve the financing of the national health programs
- To decentralize and rationalize public hospitals
- To improve the doctors' salary systems
- To improve the computerization of the health system

The development of the professional skills in the sanitary management is one of the major coordinates of the sanitary system given that only a performing management can lead to the increase of the efficiency and quality of the medical activity.

In this respect, the Romanian-Swiss Center for the Development of the Health System (the CRED Foundation) in collaboration with the National School of Public Health, Management and Improvement in the Sanitary Area (SNSPMPDS), the University Hospital from Freiburg, Germany and Advanced Thinking started in 2010 a wide project called "Centre regionale de excelență în domeniul îmbunătățirii performanței proceselor din sistemul de îngri-jiri de sănătate din România".

The project was made public at the beginning of 2011 and will take two years, with end date on November 2012, having the following objectives<sup>1</sup>:

- $\Rightarrow$  To create and operate regional network of excellence centers
- $\Rightarrow$  To identify and implement a modern form of organization in order to assure the quality and efficiency of the public health system's management at local level
- $\Rightarrow$  Professional training and transfer of skills as regards the implementation of the innovative methodology for the optimization and cost-improvement of the processes from health facilities
- $\Rightarrow$  To ease the transfer of *know-how*, knowledge and good practices established internationally.

<sup>1</sup> Mathis R.L., Nica P.C., Russu C. op. cit., p. 23-24.

The preparation and implementation of coherent sectorial policies regarding the professional training and development of the sanitary-medical staff and the distribution of the necessary financial resources is the main point of the health system's reform, focused on the multi-sectorial development of the system, coordinate by the Ministry of Health.

Under such circumstances, one of the recommendations stipulated by the *Report* of the Presidential Committee for the analysis and preparation of health policies, published in 2008, refers to the urgent need to prepare an official document to define at least the parameters specific to the following basic areas of the policies on the health human resource<sup>2</sup>:

- Planning of the sanitary staff, overall and per various professions and specializations
- The process under which the staff per types of professional categories is *"produced"* and endowed with the necessary skills, knowledge and practical abilities in order to accomplish the health objectives
- The distribution of the human resources per different types of medical services and different country regions
- To create the organizational environment likely to enable the performing activity of the health human resources

The commission recommends involving the local communities in the distribution of the necessary financial resources and in the development of projects on long term in order to attract sanitary-medical staff in the areas with staff deficits, using various means such as granting study scholarships, covering transport, accommodation costs, equipment costs, etc.

In this respect, the ministry of health, Cseke Attila, at the beginning of 2011, demanded the local authorities to distribute at least 3% of the local budgets, to their hospitals, proving thus the responsibility and implication of such authorities in the management of the medical facilities.

**Decentralization of the training system for resident doctors** is a measure which interests over 4000 doctors/physicians who train for their residency exam.

Since 2011, a new legal deed has been into force which amends the Government Ordinance no. 18/2009 on the organization and financing of the residency exam.

The main aspect of this amendment refers to the fact that university centers from Romania will be able to organize the residency exam through the Universities of Medicine and Pharmacy and will be fully responsible for the professional training of the future doctors.

The exam has been so far organized at national level, usually in Bucharest.

Another provision of the said deed refers to the doctors' possibility to be hired in a medical facility even though they have failed their exams, starting with limited practice competences, stipulated in the Certificate of free practice issued by the College of Doctors.



The improvement of the financing of the National Health Programs refers both to programs in execution, where the focus is on the investments in medical equipment directed to oncological and intensive care programs and new programs, *for instance*, those on oncological screening for colorectal cancer, cervical cancer, breast cancer or *in vitro* fertilization.

To attract European funds, a series of projects has been launched, for instance<sup>3</sup>:

- "The system for professional system of the medical staff in the area of new technologies from the health system (molecular diagnosis)", coordinated by the Oncological Institute "Victor Babes" in collaboration with UMF "Gr. T. Popa" from Iasi and the Oncological Institute "Prof. Dr. I. Chiricuta" from Cluj-Napoca.
- "The Pathological Anatomy Laboratory professional and organizational training by implementing the quality management system", coordinated by UMF "Victor Babes" from Timisoara, UMF "Gr. T. Popa" from Iasi and Università degli Studi di Torino.
- "The professional and organizational training in the immunology laboratories through the implementation of cutting-edge technologies and quality management", initiated by the Immunology Society from Romania in collaboration with the Oncological Institute "Victor Babes", INCDMI "Cantacuzino" and the University of Göteborg.

The decentralization and rationalization of public hospitals is a project conducted in 2011, according to which 182 medical facilities remained without legal personality, 111 were proposed to be merged and the rest of 71 to be transformed into retirement homes. Moreover, 560 management positions will be terminated and 4808 hospital beds will be removed from the medical circuit, which, according to the Health Minister, will lead to savings of over 20 mil Lei.

The savings, according to the statements of the Health Minister, Cseke Attila, will be redirected to develop the emergency system and new emergency vehicles will be bought and the emergency and SMURD services will be equipped.

These statements started quite a storm in the medical world and the reactions were not late to appear: the accusations of the doctors concern the incoherent and biased policy as regards the distribution of investment funds while hospitals face a sharp lack of financial resources, being incapable of covering current expenses while the patients have to buy their own medicines.

The improvement of the doctors' salary system; The low salaries are the main cause for the medical staff's exodus in other countries.

At the beginning of 2011, the Health Minister announced that a project would be debated on the salaries of the doctors from public hospitals and that they would be removed from the *public area* by means of the conclusion of medical services contract with public hospitals, as free lancers/certified natural persons.

In our opinion, this measure will be the heaviest blow for the Romanian sanitary system, which will lead it to an irreparable crisis.

<sup>3</sup> Bühner R., op. cit., p. 38.

There is, naturally, a series of questions concerning the pre and post-surgery care, the medical assistance, severe cases or emergencies which might appear at any moment and the continuity of the medical activity in public hospitals.

These are only few of the multiple problems which might push public hospital to a direction which is not, at any rate, favorable for the patients.

*The improvement of the health system's computerization;* According to the opinions of some experts<sup>4</sup>, the computerization of the medical system is a project requiring proper financial support and which needs the fulfillment of three main conditions:

a. The preparation, based on the consent of the interested parties (Ministry of Helath, CNAS, MCSI and other insurers) of a *national health strategy* which considers the *e-sanatate* applications existing or under construction, other national information projects and the projects and strategies from European countries. The strategy should contain standards and code like to assure wide inter-operability.

b. The legal framework allowing public funding only for those *e-sanatate* projects which fit the adopted strategy, fact certified by the permanent expert body dedicated to strategy elaboration process.

c. The organization of a permanent expert body, subordinated to the Ministry of Health, with representatives of the main interested structures and institutions. This body should have the necessary resources to develop and update the strategy based on the needs, technological requirements and innovations and to monitor the compliance of the public *e-sanatate* projects with the adopted strategy.

Therefore, the implementation of the national computer system in the health area is a complex process requiring a close collaboration with other ministries – Minister of Internal Affairs – population matters, Ministry of Communication, etc.

On the other hand, the IT experts to assure the implementation of the computerized system at national level and its maintenance are also a problem as difficult as that regarding the number of the necessary doctors given that the current salary level does not allow stimulating remunerations for attracting such experts.

# THE ANALYSIS AND STRATEGIC PLANNING OF THE HUMAN RESOURCE DEPARTMENT RELATED TO THE OVERALL STRATEGY OF THE ORGANIZATION

*The strategic analysis of the human resource department* and the positions to be designed based on the analysis' results involve the common effector of the decisional factors at the organization level.

In units with high fluctuations of staff, the analysis of the positions is a constant activity because when employees leave the works is changed and the job requirements need general reviews.

<sup>&</sup>lt;sup>4</sup> Mățăuan G., Gheorghe M., 1996, *Strategii manageriale de firmă*, Editura economică, București, p. 376.



For instance, if an employee demands the termination of the individual employment contract, until such employee is replaced, the job duties and responsibilities are distributed to another employees. Thus, new positions can be created with different responsibilities and the analysis of the human resources will be resumed to establish new coordinates according to the occurred changes.

The strategic planning of the human resources is closely related to the organization's overall strategy given that the lack of specialists and executive staff able to take over future duties and responsibilities can affect severely the strategic planning process for the entire activity of the organization.

Thus, the periodical review of the employees supports efficient planning, allowing forecasts on the staff needed for each position, degree of professional class.

According to the numeric and quality planning of the human resources, the staff expenses can be forecast for salary payment, training activities, employment and staff promotion.

The process of strategic planning starts with the identification and recognition of the organization's philosophy and mission, stage when a series of questions is asked: "Why does the organization exist?" "Which should be its contributions?" "Which are the main values and motivations for the managers and shareholders' solutions?".

Therefore the organization' philosophy and mission are established according to the data arising from the perusal of the external environment and the evaluation of the organization's strengths and weaknesses which directly influence the organization's capacity to capitalize opportunities and the commencement of the development plan, its implementation and review are substantiated by the organization's philosophy and mission.

The strategic analysis and planning of human resources in the health area can be reported to the level of the entire sanitary system or the level of a medical facility.

In terms of the entire **system**, the analysis of the management positions existing in the Romanian hospitals and the related costs was conducted for the preparation of the National Strategy for Hospital Rationalization.

In our opinion, the measure to *merge* 111 hospitals, which led to the termination of 330 management positions, does not solve the problems related to the hospitals' budget given that the persons who held those positions are still employees of such hospital, but on a different position.

The management of a hospital is conducted by a board of directors with functions provided by the Law no. 95.2006 on the health reform, as further amended and supplemented. The management positions are: manager, medical director, financial-accounting director and for hospitals with over 400 beds – care director.

The manager, in most cases, is among the hospital's employed doctors, chiefs of section or teaching staff for clinic hospitals and during their terms (three years) the position held before is kept on the position roll if the management contract terminates for whatever reasons.



Therefore, once the manager position terminated, the doctor resumes their activity in the section of their employment, the doctors is included in the shift schedule and the income will be comparable to the manager position or even higher because a manager has a monthly salary established under the management contract, without other benefits and cannot make shifts during the term while the doctor or the chief of section is entitled to all these benefits.

*The medical director* has situation similar to the manager, namely the medical director is a doctor or teaching staff, employee of the hospital.

*The financial –accounting director* is, usually an economist who, if the position is terminated, will continue their activity on the position held before, but the salary will be reduced by approximately 40%.

The measure to *close* the hospitals and *transform* them into retirement homes was motivated by the fact that, at present, according to the data provided by the Social Assistance Offices from the Ministry of Labor, 2800 elder persons are on the waiting list for a place in a retirement home. These applications cannot be settled because there are only 25 retirement homes in Romania, with 1570 beds financed by the local authorities or from the state budget, 53 facilities financed by ONGs and 51 facilities for mentally disabled people. Newly established homes will care for 2500 – 4800 people.

In reality, the termination of 71 medical facilities will reduce the number of beds by approximately 4800 and 791 doctors and 2532 nurses will have to be distributed in the newly established facilities.

Thus, the 4800 reduced beds are removed from the Ministry of Health's system and are to be managed by the Ministry of Labor. In such case, the same state budget will bear the costs of such transfer only the source of financing will be formally changed.

As regards the infrastructure investments, almost nothing has been said, but we believe that they will be significant in value since the transformation of buildings used as hospitals and relatedly equipped into retirement homes requiring further refurbishment will lead to new investments.

The transfer of the medical-sanitary staff cannot be performed entirely given that doctors are specialized and licensed to conduct certain activities, according to their training and licensing strategies which confirmed them as specialists and primary doctors.

It is not logic for a doctor specialized in surgery, ORL, anesthesia and intensive care, obstetrics – gynecology to be redistributed in a retirement home because, on one hand, the doctor would lose their license and, on the other hand, the skills for such situation concern internal medicine, cardiology, physiotherapy or geriatric.

General nurses or, even more, those specialized in various areas such as X-rays, pediatrics, obstetrics – gynecology, midwives, etc. are in similar situation given that they will have to reconvert, performing social assistance work instead of the activity they trained for, this activity being of social nurses, a distinct activity.



The transformation of hospitals into retirement homes-hospital might be a more efficient solution as a large part of social cases in charge of public hospitals might be solved. Most times public hospitals have to extend the admission of elderly people suffering from severe irreparable illnesses because their families do not have the means or the necessary conditions to care for them and the exiting retirement homes-hospitals do not cover the need for such situations.

## 3. Conclusions

Human resources are the most important components in the supply of health services.

The management of the health human services is currently subject to various challenges.

The promotion of a new and innovative human resource management is the key to improve the performances of the sanitary system.

The planning of the human resource department, especially for doctors, must be a priority for the strategy to improve the human resource management in public hospitals.

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