

IMPACT OF DECENTRALIZATION ON THE EFFECTIVENESS OF HUMAN RESOURCE MANAGEMENT IN HEALTH SECTOR

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ABSTRACT

This research study is to ascertain the role of decentralization on the effectiveness of human resource management (HRM) in health care setup. The study was initiated in May 2009 and spanned over a period of six months in public/ private health care setup. Survey based on health facility was used to find out different aspects of workforce viz number of employees and their work structure, turnover of staff, financial management, workload, incentive programs etc. 38 officials of various cadres were approached who filled in questionnaires through which they provided information about their characteristics, and their aspect of work lives besides their views on performance management and general hospital management. Different hierarchical level manager's opinions were also sought about policy and context of decentralization and their impact. Data obtained from group discussion and interviews from managers at different hierarchical levels and their positions was used to cross check findings from surveys and their possible interpretation.

Combination of centralized and decentralized recruitment represents a promising hybrid form of health sector organizing in managing human resources by bringing the benefits of two worlds together.

Key Words: Human Resource Management, Decentralization, Health sector.

INTRODUCTION

Effective delivery of health services is seriously affected by human resource constraints. The major concerns include inappropriate numbers, types of staff, the way they are distributed and the performance of the staff. Appropriate human resource management (HRM) policies and practices can improve human resource (HR) outcomes and thus the effectiveness of the workforce, which in turn will contribute to improved organizational performance. Assuming HRM policies and practices are aligned with appropriate health service objectives, improved HRM leads to improved health outcomes. HRM can be defined as "the way an organization manages its staff and helps them to develop". This would include getting the right number and types of staffs to do the job, an important aspect of which is getting a balance between staff and other resources, especially as

personnel costs often account for over 60% of the overall budget (Atkinson & Olivera, 2000). The quality of staff and their distribution to the overall performance of the organization is largely dependent on their skills determined by initial training and continuous development, experience and motivation. Thus key indicators of HR outcomes would include:

- Appropriate number of staff: enough to do the job and to be within budget
- With appropriate skills and experience,
- And appropriate input to overall performance of the organization

For each of these HR outcomes there are relevant HRM actions – based on the policies of the organization – that can be used to strengthen the workforce. For example, Planning and needs-based selection procedures should improve the

quality of staff, better use of incentives and sanctions should improve staff performance (Collins & Green, 1994).

This study was conducted in public and private healthcare setup to examine whether decentralization resulted in improved management of human resource. The study examined HR outcomes for selected indicators of workforce effectiveness before and after decentralization and attempted to track back to the HR decisions associated with these outcomes.

Various indicators were earmarked to ascertain changes in the respective parameters of HR outcomes (Table 1)

HR PERFORMANCE	INDICATORS	HRM INPUT
Number of staff members	<ul style="list-style-type: none"> • Staff headcount • Pay package 	Recruitment and selection policy and staff
Skills and competence	<ul style="list-style-type: none"> • Academic qualifications of staff members • Experience level 	<ul style="list-style-type: none"> • Proper selection and posting of staff • Elaborate system of in-service training
Staff output	Performance management	<ul style="list-style-type: none"> • Appropriate reward system • Promotion and staff development opportunities

Due to budgetary constraints, the number of staff members and their pay package constitutes a major consideration for the hospital management regarding its staff members. For this purpose, a viable and just recruitment and selection policy is needed especially to counter the political pressures which are rampant to induct the people of personal likings at the cost merit. The level of staff competence and skills is a function of the degree of academic and professional achievements of the staff member, augmented by the richness and variety of experience

METHODOLOGY

Study of impact of decentralization on the effectiveness of human resource management was made through case study approach. Three parameters were chosen in this regards via:

- (a) Adequacy of the experience and skill of staff members
- (b) Adequacy of the experience and skill of staff members ; and
- (c) Sufficiency of input to organizational performance.

required. It is the man- management and performance management which yield to the output of the employees. The management needs to devise a reward system which distinguishes the performances from those of none or under performances. Based on the performance of the staff members, the promotions and material incentives are given proportionately. The management needs to provide ample opportunities for the employees for self-development and skill enhancements.

This study was based on the assumption that a proper HRM would lead to the improvement in performance (Table 1). A link has been tried between HR input and HR performance through decentralization of various management functions.

The study was carried out in a medical college in private sector in Karachi, Pakistan, where hospital administration considers that a management on modern lines is needed to lead to improved performance, and this could be achieved through delegation of authorities at the appropriate level of management.

The study was initiated in May 2009 and spanned over a period of six months. A survey based on health facility was used to find out different aspects of the workforce via number of employees and their work structure; turnover of the staff, financial management, workload, incentive programs etc. Through the survey carried out of the health officials an attempt was made to assess the impact of decentralization on their performance. Thirty eight health officials of various cadres were approached, who filled in a questionnaire through which they provided information about their personal characteristics, and their aspect of their worklives, besides giving their views on performance management and general hospital management.

Alongside the survey, the different hierarchical level managers were also approached and their opinions and views were obtained about the policy and context of decentralizations, and their impact. Further in-depth information was sought through group discussions of various health officials of various sections and departments regarding their work lives and influence of decentralization on them.

Data obtained from group discussions and interviews from managers at different hierarchical levels and positions was used to cross check findings from the surveys and their possible interpretations.

RESULTS

Management of hospital had been receiving complaints for some time about the bad state of the hospital affairs from the general public and it was earning adverse publicity through printed and electronic media which was reporting the treatment meted out to the patients and their attendants/ relatives. It was general perception that the hospital staff was lethargic, insensitive to plight of patients in particular and public at large. The recruitment policy was flawed as evidenced from the in competencies of its staff and the overstaffing in various sections/ departments of the staff. The financial management was also improper and pervasive mood of the staff especially those holding managerial positions was evasive as they were always tried to shift responsibilities from themselves.

This state of affairs alarmed the policy makers and through several sessions of transforming, counseling and meetings, they arrived to the conclusion that the crux of the problem was the over- centralization of the managerial functions. Thus they decided as a matter of policy that all personnel, financial and material management should be devoted to the appropriate level of management.

A new management structure was formed on the basis of decentralization. The working of new management system was closely monitored. After two years , a review conducted revealed some negative impacts of decentralization via lack of management capacity , faults in

recruitment procedures, imbalances in financial managements etc. However top management decided to continue with the new arrangement while attempting to rectify the short comings and / or bottlenecks.

Recruitment and selection was a matter of special concern. Due to rising inflation and cost of living, the downsizing of the staff was planned. But this exercise failed to adjust staffing levels according to workload, and this resulted in severe imbalances in different categories and levels of staff members. An option was considered of outsourcing the recruitment and selection function to some external agency of repute but was later dropped due to the involvement of high costs. The management decided to create monitoring teams to oversee the recruitment and selections of health staff members but their role was strictly of advisory one.

Internal transfers of health staff from one section or department was simplified by authorizing the head/ in charge of two sections/ departments to mutually agree for such transfers. However it was made clear that such transfers would not make them eligible to demand additional staff if the staff member is transferred from a particular section/ department. This arrangement greatly increased the demand of the employees who were disciplined and competent. On the other hand, this also caused friction amongst the employees due to enhanced "value" of some over the others. Likewise it was also noticed that the department / sections tried to get those employees transferred who were indiscipline and/ or incompetent.

As part of employment policy' jobs were advertised, and candidates applied for the jobs they wanted. These suited employers

in the richer areas, but disadvantaged employers in the poorer areas. Whilst managers could select the best candidates, candidates could also choose which jobs to apply for, and many preferred working in the cities. Being situated in Karachi which is the financial and commercial hub of the country, the hospital administration had an added advantage that they could attract the best available talent. The cities and towns with lesser facilities and opportunities could not get the "best of the lot" as the doctors and medical staff preferred Karachi-being the big city, over them because of potential benefits and avenues for advancements.

The in-service training of doctors and other staff is increasing with the time mainly due to new technologies in the medical field. However selection for training was also linked to whether participant can make extra money for the hospital after receiving training. It is also observed that following training, which is a prerequisite for promotion, health personnel were likely to look for better paid jobs elsewhere. Consequently some of the health managers became reluctant to provide more in- service training.

DISCUSSION

About the relationship between Decentralization and improved Human Resource Management the first observation is that decentralization is complex and difficult to pin down as single entity. In this study there were several forms in play and this is not unusual (Tang & Bloom).

In some cases Decentralization as an intervention is far from clear-cut. Any intervention will only work if sufficient capacity has been developed. In this study, capacity building appeared to

be inadequate to support effective decentralization. There was little evidence of any oversight of the decentralized management to check and support managers, except for occasionally what was seen as interference. Nevertheless, there is sufficient evidence to show that managers did take up the challenge and engage with Human Resource Management actions (Xiaoyun et al., 2006).

Medical administrators in this study tried to control the size and costs of the staffing of their institutions. Since assuming responsibility for funding their own training program, administrators had become a lot more discriminating about who goes for training and what training courses they attend. Many administrators took the opportunity of managing performance through the use of financial incentives. This was clearly effective in increasing productivity in certain areas of work. However, in the context of achieving wider health goals, some of their efforts at improving Human Resource Management might have been somewhat misguided RRR and probably also resulted in other important areas of health care, such as prevention, being neglected.

In some cases where staff attrition was high training opportunities that might have been necessary to upgrade skills were withheld as a form of staff retention. HRM decision sometime has to make unpopular decision—mostly financial may be due to organizational pressure. Hence it is pointed out in study that decentralization of HR functions is a two edged sword (WHO, 2006).

The study highlighted general issue with decentralization in particular in the form of devolution related resource allocation

and equity. It is more difficult to attract qualified professionals to rural areas than urban areas (Chen et al., 2004). The employers in more rural areas find it harder to compete for qualified staff and have to rely on less qualified substitutes. Big cities with higher urban population-generate more revenue from which they can fund more attractive remuneration packages to get the best staff which further exacerbates the problem. To-gather these factors lead to inequity in the quality of health care provision (Wyss, 2004; Wang et al., 2004).

The complexity of decentralization and the unpredictability of its impact on its management areas such as HRM argue for close monitoring linked with appropriate action to redress problems identified (Van Lerberghe et al, 2004; Rowe, 2005). The indicators used in this study could be the basis of such a monitoring process.

CONCLUSION

Those involved in designing decentralization generally come from outside health sector itself. Thus, they have only limited understanding and appreciation of matters related to health workforce. Even those in health sector rarely concentrate to human resource issues as they pay to issues of health financing and health management.

Longstanding disregard of human resources arena has resulted in the emergence of several important and problematic challenges that impede the creation of an appropriately deployed, well trained and motivated workforce. These challenges are the concern of local managers, health workers and national leaders, and their resolution will require concerted action on several fronts. Factors under decentralization that critically

impact health worker motivation and performance must be identified, documented and shared.

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