EFFICIENCY AND EFFICACY OF STRATEGIC MANAGEMENT IN ROMANIAN HOSPITALS

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A service providing organization that reaches high levels of meeting the consumer's demands is an efficient company. An efficient organization is the one that achieves the products with minimum resources consumption. Effectiveness and efficiency must go together. Effectiveness with no efficiency, in an organization aiming at getting profit, may possibly lead to bankruptcy or profits much smaller than the normal ones, if the company is not able to collect enough money for the services it provides in order to be able to cover its costs. Reversely, efficiency without effectiveness shall lead to the loss of customers and in the end the company shall become bankrupt. Normally, the public services institutions and some non-profit services institutions are subject to some different rules. In any way, we can say that the effectiveness and the efficiency of the operations are objectives aimed by the management of all the services providing organizations.

Measuring the efficiency and the productivity or any other aspect of performance is an absolutely necessary part for any effort to improve the productivity as, as the proverb says, "what gets measured, gets administrated". Productivity and efficiency are two related concepts but also different. Productivity can be measured as a relation between the resources and the production achieved and a service providing organization can draw up various partial and/or total productivity reports. By following the said reports in time, the organization shall be able to establish the productivity improvements. Still, when the purpose is that to compare similar units of the organization, such as the branches of a big bank, the reports may not provide the necessary information.

Sometimes managers would like to know not only how the different departments within their company are going in the absolute form, but also in the relative one. Some managers also want to compare their company's situation with that of the other companies within the same industry. In such cases, using the productivity reports may be impossible as not all the competitive companies calculate the same reports or are willing to provide such data to the competition. Comparing the similar units within the same company or comparing some similar services companies can be achieved by measuring their relative efficiencies.

The performance of the medical assistance organizations is assessed by the standardized instruments and often the results of such measures are made public for the purpose of informing the tax payers and the patients. The business coalitions in the key cities in the entire country have gathered comparative data on the costs and results in order to help the managers in making the decisions regarding the selection of the medical assistance provider. In many companies the cost of the health insurances for the employees is the cost with the highest increase and such data are considered to be a key element in controlling what was seen as an "uncontrollable" cost. Such medical assistance units' managers use the said data as internal reports for defining the organisation's priorities regarding the change.

The health services researches have proven that there are major opportunities for improving the performances of the medical assistance processes in at least four fields: the health condition, the services characteristics, the people's wide access and the loss levels.

The simple consultancy provided by the medical assistance providers can make many people change their choices regarding the lifestyle towards a much healthier direction. The technical medicine could be safer and more efficient than it is at the moment.

The characteristics of the medical assistance services must be improved continuously. The waiting period is long and many organizations receive complaints from the patients because of the incomplete communication, of the interpersonal meetings and of the discrimination in the assistance provided.

The access to medical assistance is generally good for all the population segments, especially in the developed countries.

In 1994, Berwick has made researches and has found that there are 11 major spheres for the potential of improving the medical assistance:[1]

- developing adequate practices (reducing the surgical interventions, the hospitalizations and the inadequate tests)
- developing efficient prophylactic practices (the health conditions can be improved by reducing the preliminary improving causes such as smoking, guns violence, alcohol abuse or cocaine)
- reducing the Caesarian operations frequency
- reducing the unwanted assistance at the end of life (reducing the unwanted or the inefficient use of medical technologies at the end of life)
- rationalizing the use of the pharmaceutical products (rendering more efficient the use of pharmaceutical products, especially that of antibiotics)
- involving the patients in decision making (the patient must actively take part in making the decisions regarding the therapeutic options)
- reducing the waiting period
- reducing, consolidating and regionalizing the high technology services
- reducing the double and expensive registrations
- reducing the inventory costs
- reducing the social and economic inequity regarding the medical assistance (reducing the racial differences in providing medical services)[2]

The state health departments and the professional committees for registration were developed as main external inspection forms for the quality in providing medical services in the hospitals. The conventional forms of internal inspection gradually became routine ones within the hospital organizations.

One of the most prolific authors in the history of studying the medical care, professor Avedis Donabedian, has offered, in 1966, the dominant frame categories defining the possible objects of inspection, either by explicit or by implicit means: "structure, process and result". Donabedian says that quality assessment may study the resources and the organizational architecture of the medical care, the sequences of the diagnosis and therapeutic activity or the health condition, the mortality rate and the functional results of the medical care and that every subject of study can throw a different light on the general model of medical assistance quality[3].

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[1] D.M. Berwick. A.B. Godfrey. J Roessner "*Curing Health Care: New strategies for Quality Improvement*" 1990

[2] F. Juvan "*Juvan quality manual*" 2007 Edition

[3] Donabedian A „*Evaluating the Quality of Medical Care*", 2005 Edition

John Williamson, the American researchers' dean, for the quality of medical care, proposed that the quality provision involves a "cybernetic" process in which the data on the performance are systematically used for identifying the continuous improvement opportunities[1]. A new accent on the improvement started appearing at the middle of the 1980s. Partly because of the exploring activity of the National Project for Demonstration in the Improvement of Quality in Medical Care (Berwick et. Al. 1990) and partly because of the fact that industrial quality professionals occupy influence positions in the boards of directors of hospitals and in the medical care management, the medical care organizations have gradually became more receptive to the idea that the stabilization was not enough, that there could have been obtained important improvements regarding the costs and the quality and that the new management methods such as quality management, could help in the medical care even if such methods first appeared in other types of organizations.[19]

The methods for quality improvement spread fast between the hospitals, especially in the medical care system of the United States. The upper management groups have organized quality committees and the fundamental redesign processes for the medical care started to make the systems be friendlier to the patients. The les developed management environments, such as the medical teams in hospitals, the medical practitioners proved to be less susceptible to the industrial methods, presented in a new form, for quality improvement. The medical care, maybe more than other industries, is susceptible to fragmented effort forms that harm a systemic vision and an optimization as a whole. The old working usages in the medical care are hard to disappear. The doctors, the nurses are prepared within some very conservative working models and they often see the change to be dangerous. The learning cycles (plan it-get it done-check it-act) that are so characteristic for solidly improving the quality are especially seen as threatening for the professionals in the medical care who are prepared first of all for "not doing harm"[2].

As other sectors that dealt with improvement methods, the medical care organizations seem distrustful in the possibility of significant improvement, many persons seem to believe that the diseases' effects are biologically predetermined, that the patients expectations regarding comfort and services are "non-realistic" and that the excessive costs of the medical care are unavoidable. All such processes are certainly real if the working processes can be changed and systematically improved based on such data. Despite the cultural barriers, the promises for the improvement of quality in the medical care remain high.

Romania's adhesion to the European Union brings the ambition to have a high life standard and consequently a better offer of medical services and with easier access. One of the compulsory steps that Romania must take with a view to the adhesion to the European Union is to comply with the convergent tendencies of the European type by adopting the community aquis that also includes the legislative package that regulates the health insurances system, which at the moment is in an incipient stage. In Romania there is a regulated legal frame based on which the necessary institutions were created, but the system's functioning is significantly affected by the size of the available funds and by the size of the nomenclature of provided services, which is often above the European average.

The burden of the increasing health expenses in the national budget grants, to those providing medical care, part of the responsibilities in managing the said expenses.

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[1] Williamson J. "*Evaluating Quality of Patient Care: A Strategy Relating Outcome and Process Assessment"* WJournal of American Medical Association 2004

[2] Kronenfeld, Jennie J.; Kronenfeld, Michael R *„Healthcare Reform in America: A Reference Handbook*:. Contemporary World Issues Publication: Santa Barbara, Calif ABC-CLIO, 2004

This management shall not be able to be done without them or even against them. The considerable progress achieved during the last years in perfecting new diagnosis and therapeutic means is frequently associated to an increase in costs, the importance of which must be assessed depending on the real benefit that it brings for the patients and for the society. For that, the assessment becomes necessary. We can foresee that an assessment of the current practices of medical care shall lead to the decrease of the expenses for a considerable number of cases. But for that we must accept the idea that an impartial assessment of the medical care quality shall sometimes lead to the conclusion that an additional quality level cannot be reached unless it is with the price of some additional financial or human means, which shall be necessary to be justified and that must be well judged from the point of view of the competence and interest. Measuring the expenses in the medical care system cannot be imagined without optimizing the quality of such medical care. There is the obligation to maintain the balance between expenses and resources by constantly improving the services quality. Two logics fit here: to reduce costs or to create more values and more medical care for more persons. The best solution is a logic of the value and efficiency, in other words, that the medical evaluation, the common sense, the medical basis evidence and a healthy management must allow the improvement of quality and of the efficiency of the medical care with constant budget means. But this can only be achieved by implementing and maintaining a quality management system. The quality management system does not refer to the medical act but to all the supporting processes in its development. The way to achieve and the results of the medical act are objectives of the accreditation of the medical units that provide medical services in compliance with the hospitals' law.

The team representing the top-management has as a main purpose to establish the general direction of development of the organization and to define the main coordinates of the business: the products and services offer, the target market, the customers, the competition advantage. Depending on such elements, there are established the strategic objectives of the organization, namely: company image, turnover, business share, market share, the business profitability and liquidity on the medium and long term. For achieving such objectives, there must be a planning of investments, an assessment of the financing estimate and also finding the best financing sources. There must also be paid attention to developing a modern management system, which creates a working climate in which there are achieved performances both within the company and for the individuals.

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4 F. Juvan *Juvan quality manual* 2007 Edition

5. Spath, Patrice. Leading Your Healthcare Organization to Excellence: A Guide to Using the Baldrige Criteria *Management Series (Ann Arbor, Mich.)* Chicago, Ill Health Administration Press, 2004.
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