

PUBLIC HEALTH PAPERS

55

MODERN
MANAGEMENT METHODS
AND THE ORGANIZATION
OF HEALTH SERVICES



WORLD HEALTH ORGANIZATION
GENEVA

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1974

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CONTENTS

	Page
Preface	7
Relevance of modern management technology to the delivery of health services	8
Management problems encountered by countries	52
Chairman's address — <i>Ch. M. H. Mofidi</i>	82
Report on the technical discussions	88

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CONTENTS

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PREFACE

The technical discussions at the World Health Assembly are an annual event. They are not, however, a formal part of the proceedings. All participants in the Assembly—delegates, representatives of Associate Member States, observers, and representatives of other organizations—may take part and they attend informally, not as delegates of their governments or as officials of their organizations. The subject of the technical discussions is one of general medical interest, selected in advance. In preparation for the technical discussions at the Twenty-sixth World Health Assembly an outline document was prepared in advance and was circulated together with a questionnaire to all Member States, Associate Members, and a number of nongovernmental organizations in official relations with WHO. On the basis of the replies received a background document was prepared and this was available to all the participants at the discussions.

The subject selected for the technical discussions at the World Health Assembly in 1973 was “Organization, Structure, and Functioning of Health Services and Modern Methods of Administrative Management”. There were 230 participants who, after the general chairman had delivered an address, divided up into eight discussion groups. A final session of all the groups was held and a joint report was prepared.

This volume contains the outline document, the background document, the chairman’s address, and the report of the meeting as a whole. It is felt that a subject of such great importance to all countries cannot fail to be of interest to all public health administrators.

RELEVANCE OF MODERN MANAGEMENT TECHNOLOGY TO THE DELIVERY OF HEALTH SERVICES¹

INTRODUCTION

There is a widespread belief that better management of health services is essential if higher standards of health and of health care are to be achieved. Without effective management, attempts to improve the organization, structure, and functioning of services will meet with little success.

The following are typical of the symptoms that demonstrate the need for better management:

(1) Overlapping, conflicting, and competing organizations within the health "system". Where the system is composed of unrelated parts it is not possible to manage a coherent health programme because no administrative structure can execute it.

(2) Widely scattered funding mechanisms with little control over costs. Many health services have little idea of the true cost of some of their facilities or services.

(3) Decisions on the mixture of facilities and services without reference to population needs and with no information about those who do not use the services. Medical management thus tends to be based on currently met demand, not on need.

Unfortunately the use of the term "modern" tends to suggest that

¹ This text, including the questions on p. 47 were circulated in advance of the Twenty-sixth World Health Assembly to all Member States, Associate Members, and a number of nongovernmental organizations in official relations with WHO.

better management would be expensive, require such sophisticated devices as electronic computers, and hence be an extravagance beyond the reach of the developing countries. Such is not the case, however, since it is a basic principle of good management to choose methods to suit whatever resources are available and to use them in the pursuit of well-chosen objectives. In this respect, at least, developing countries have the advantage that the most urgent priorities should be reasonably clear. Many of the established techniques of modern management have their most useful application where there are clear objectives.

The health services of the more developed countries pursue a wider variety of aims and employ resources that are greater both in quantity and in complexity. More sophisticated techniques may be appropriate to these circumstances, but the same basic principles of management apply.

TRENDS IN HEALTH SERVICES

Nature of the trends

The title of the Technical Discussions could be interpreted to include the systematic description and comparative analysis of the pattern of health services in various countries. It is suggested, however, that the existence of different health care systems should be taken for granted, and that attention should be concentrated on the problems of adapting and changing any given system in order to improve its performance. It is to the problems of securing beneficial change that modern methods of administrative management are most properly directed.

The functions of health services, and the results expected of them, are subject to accelerating change in most countries under the influence of progress in knowledge and technology both medical and general, and of social and economic development. These factors enlarge the field covered by the health services and increase the need to consider as a whole the planning of services that had previously been regarded as separate. This is not simply a matter of eliminating wasteful duplication, it is a response to increasing evidence of the effect of one thing upon another, as with the impact of maternal and child care on lifetime morbidity and of the need for a closer relationship between curative and rehabilitation services.

The trend towards greater complexity has several components. Historically, and partly as a result of the increasing technical capability of medicine, the care and comfort of the sick have been supplemented by their rehabilitation and later extended to the curing of disease by

active medical intervention. The concepts of health care have continued to widen to include the prevention of ill health and the active promotion of health through environmental, educational, and other means. Each additional perspective does not replace the pre-existing ones, but modifies them and also raises additional problems concerning the allocation of resources and coordination between the different perspectives. The need to consider environmental factors and the opportunity to seek improvement in standards of health through means that are not simply medical have enlarged the number of options to choose from. A corresponding increase has taken place in the resources devoted to such supplementary functions as health education, education and training of health services personnel, and research.

The structure of health services also shows a correlated set of trends. Individual care based on the single doctor-patient relationship is being replaced by care undertaken by groups or teams. Each member of such a team contributes his own special skill and the leadership of the team may be decided as appropriate. Health care institutions can be regarded as concentrations of professional teams around certain physical facilities that could not otherwise be economically provided. There is a tendency to think in these terms and to regard institutions as part of a wider pattern of a collaborative health care system, rather than as self-contained entities.

The economic basis of health care has changed accordingly. Systems of individual payment have long been supplemented by different forms of social assistance for those unable to afford personal payment. Social assistance has been largely superseded by different forms of sickness insurance organized privately, by social organizations such as trade unions, or by the State. In many countries the insurance basis has now disappeared and full financial responsibility is accepted by the State.

The changing role of the doctor is an example of the effect of these trends. To his traditional concern for the treatment of the individual patient before him, and the relationship that involves, is being added a concern for the effect of his actions on the community. The connexion is partly a socio-medical one (as in the case of family problems) and partly an economic one in that many things that are technically possible (haemodialysis is a good example, cardiac surgery a more extreme one) require such a large input of resources as to implicate many others beyond the individual doctor and his patient. What is so obviously true in these more spectacular instances also applies to therapies and diagnostic methods that cost much less per case, especially when they are widely used.

Involvement of the State

These trends in health services lead to 2 main consequences. One is that the financing of health services has to be largely a public matter, rather than an individual one, even in countries in which the role of government is kept to the minimum. The second consequence is that the efficacy and value of traditional methods of treatment, etc., are increasingly called into question. This raises all the problems of persuading health workers to change from their traditional practices and of finding suitable methods and forms of organization for bringing this about. Both consequences have resulted in a greater degree of state involvement in the management of health services. This involvement often has to be deeper and more detailed than governmental involvement in other sectors and hence calls for management skills additional to the traditional bureaucratic ones. As a matter of governmental concern, health services have passed from the stage of requiring passive regulation and control to the stage of requiring active management.

Increasing state concern for the well-being of the individual also shows itself in other ways, such as social insurance, housing, education, etc. It has been adopted as a principle by the World Health Assembly itself in Resolution WHA23.61 as follows:

“... among the most effective principles for the establishment and development of national health systems are those which have been confirmed by experience in a number of countries and are set out below:

- (1) the proclamation of the responsibility of the State and society for the protection of health of the population, to be based on putting into effect a complex of economic and social measures which directly or indirectly promote the attainment of the highest possible level of health, through the establishment of a nation-wide system of health services based on a general national plan and local planning, and through the rational and efficient utilization, for the needs of the health services, of all forces and resources which society at the given stage of its development is able to allocate for those purposes;
- (2) the administration of rational training of national health personnel at all levels as a basis for the successful functioning of any health system, and the recognition by all medical workers of their high degree of social responsibility to society;
- (3) the development of health services primarily on the basis of extensive measures to foster the preventive approach both for the community and the individual which will require the integration of curative and preventive services in all medical and health establishments and services, emphasizing the protection of health of mothers and children who embody the future of every country and of the whole of mankind, and the establishment of effective control over the condition of the environment as a source of health and life to present and future generations;

- (4) the provision for the whole population of the country of the highest possible level of skilled, universally available preventive and curative medical care, without financial or other impediments, by setting up an appropriate system of curative, preventive and rehabilitative services;
- (5) the extensive application in every country of the results of progress in world medical research and public health practice, with a view to ensuring conditions that will make it possible to obtain maximum effectiveness from all health measures taken; and
- (6) the health education of the public and participation of wide sections of the population in the carrying out of all public health programmes, as an expression of the personal and collective responsibility of all members of society for protecting human health . . . ”

One consequence of the increasing role of the state in the management of health services must be the need for public accountability. Both as providers of the resources and as the beneficiaries, the public may be expected to press for evidence of effective and rational management. The general public may well expect the management of health services (a major employer in many countries) to be of at least as high a standard as that of any other industry or service. It is significant, therefore, that modern management techniques have all originated outside the health field, and that health services do not seem to attract the best available managerial talent. The reasons for this need to be examined.

The concern of the state for the health of its citizens has to be thought of in “big system” terms. Decisions about any one aspect have to be taken with due regard for the possible effects on other aspects. The best solution to a problem may be to make changes in a different area of policy altogether, possibly one that lies in the purview of an agency different from the one in which the problem first arose.

The need for modern management techniques

These “big system” aspects are one reason for the trend in many countries to look to methods of management that have been developed in recent times to cope with similar complexity in other sectors. The very existence of these methods is one good reason to consider how to exploit them to the best advantage of the health services. The methods referred to include: the “systems approaches” of operational research; systems analysis; programme budgeting; computer based information systems, etc.; techniques concerned with the productive use of resources such as work study, network analysis, and cost analysis; and organizational and behavioural methods concerned with personnel selection, training, motivation, communications, adaptation to change, working in groups, the design of organizations, etc.

The background to this discussion is the conviction that there is a

need for such modern techniques in the management of health services even where there may be little demand for them. The nature of this need varies from country to country and especially according to the state of development of that country's health services. Thus for countries whose health services are already extensive and complex, the need may be to try to ensure that they become truly comprehensive; that the massive resources the country is already prepared to commit really make their full contribution to the achievement of a healthy population; that wise choices are made (at all levels) among the wide range of options open; that the health system works equitably and is available to all. For those countries whose present health facilities are minimal, the need is more in terms of an adequate diagnosis of those problems that merit the highest priority, having regard not simply to the state of health as an end in itself, but also to the contribution that reduction of disease can make to the general socioeconomic development. Where the health system has few resources the need is to establish the justification for more, to be ingenious in obtaining them, to apply them to a few clear objectives of high priority, and to manage this application to maximum effect.

Most countries probably lie somewhere between these extremes, with some of the needs of both and a special need to avoid duplication of effort and "false starts". The creation of a medical school before either the educational system or the health service has the resources to support it might be one such example. Another would be the premature introduction of computers. In working towards the more comprehensive health services, the developing countries would do well to be selective in their emulation of more developed systems. In other words the need is for the important commitments to be chosen on rational rather than emotional grounds, and with objective evidence to guide the critical choices.

THE MANAGEMENT SITUATION

Before considering management and its techniques in more detail, it seems necessary to adopt some working definition of terms to be used.

"Administration and Management"

These terms are widely applied, sometimes with the intention of making a distinction between them, but often interchangeably. Distinction is sometimes made, for instance, between administration as