

## **THE MANAGEMENT OF THE HOSPITAL UNITS AND THE ROLE OF THESE IN ECONOMIC DEVELOPMENT**

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**Abstract:** *The present study analyses the involvement of hospital managers in the quality of the services offered and investigates the management style of the hospital units. There is some evidence that the time spent by managers and their work can influence clinical outcomes and processes and safety and quality. Hospitals need state-of-the-art management to help them function effectively. That is why a position in hospital management is as important, not only for patients, but also for medical professionals and the health system as a whole.*

**Keywords:** *management, services, hospital, strategy*

JEL Classification: I30, H75

### **Introduction**

We started from the idea that the hospital management can be described as the one that designs the structure of a unit and determines how different aspects of the institution will interact. Management involves six basic functions: planning, organizing, staffing, managing, controlling and motivating the personnel of the unit.

The managerial activities included strategy, culture and data-based activities, such as promoting the culture of improvement and promoting quality, setting strategies / objectives and providing feedback. The doors of the hospital are always open. Regardless of the time, doctors and hospital staff must be prepared for anything - from treating life-threatening illnesses to helping in emergencies and disaster relief. Good hospital management can often be the difference between a well maintained and managed hospital and a chaotic environment in which the quality of patient care suffers.

The role of the hospital management is closely linked to the health management and the management of the health system, but the educational and vocational training experience is aimed at building a career in a large hospitalization space. (Stoina, 2012). Once in the role of management, there are a lot of responsibilities that need to be handled by the individual in this role. Hospitals are multiple systems, where hundreds of operations are performed simultaneously.

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## **The characteristics of managers and organizational changes**

The managers of the hospital units have a legal and moral obligation to ensure a high quality of patient care and to strive to improve care. These managers are in a prime position to mandate the policy, systems, procedures and organizational climate. A manager has been defined as an employee who has subordinates, supervises staff, is responsible for recruiting and training staff, and has budgetary responsibilities.

The hospital managers need to have a superior business strategy to run the hospital effectively and focus much of their time on issues such as unit budget, public relations in the hospital field, financial position and contracts with companies. of insurance or other payers affiliated with the hospital unit.

The concerns of the hospital managers go beyond the business environment and must maintain their ethical responsibilities, while ensuring that all operations in the hospital operate smoothly, from the surgical programs, the patient flow, the updates of records and confidentiality, to the analysis of waste management and maintenance and configuration of the equipment.

Hospital units can be regarded as systems in which management creates their architecture. The role of managers in the organizational strategy is central, but it must be understood in the context of the overall responsibilities within the unit (Verboncu, Apostu, Gogîrnoiu, Zalman, 2014).

As a result, it has been argued that it is obvious that health managers play an important and obvious role in the quality of patient care and safety and that this is one of the highest priorities of health managers.

The organizational strategy is largely a function of systems thinking: identifying moving parts in a hospital unit that adds value and ensuring that these parts work together as a whole efficiently. The management of the institution must actively adapt the organizational strategy to various technological challenges, opportunities and improvements in order to maintain competitive productivity.

The essential characteristics of the hospital unit management (Ciurea, 2007):

- ✓ **Planning.** An efficient business plan is being prepared. It is essential to decide what actions to take to avoid further confusion. It is planned how you intend with the patients to realize the services offered to them more quickly.
- ✓ **Organization.** It refers to the judicious use of resources to get the best employees. A monthly budget is prepared to smoothly obtain the cash flow.
- ✓ **Staff.** Poor management of the hospital unit would lead to unhappy employees who ultimately create problems for both themselves and the hospital. It is necessary to recruit the right talent for the unit.

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- ✓ Leadership. Managers need to set clear goals for team members. A leader must ensure that team members work together on a common goal. It is he who decides what would be right in a certain situation.
  - ✓ Control. Managers need to be aware of what is going on around them. Hierarchies should be well defined for effective management. Heads of reporting should analyse the performance and progress of their subordinates and guide them whenever necessary.
  - ✓ Time management. Effective time management helps employees do the right thing at the right time. Efficient time management is always analysed in the long term.
  - ✓ Motivation. Employees' appreciation for their work or the application of incentive schemes are the preferred methods of managers to motivate the employees and determine them to be involved in the awarding of the tasks of the hospital unit for a longer period of time.

The field of organizational management is a cross-cutting field. In organizational management, methods of strategic management, methods of quality management and methods of efficiency are applied.

The standards and frameworks in the field of organizational management or analysis are: CAF, EFQM, McKinsey 7S, MIT 90's and Zachman Framework (Dogaru, 2016).

To manage an organization, within a certain time frame, also referring to its objectives or to the organization of work and other resources, the following methods are used:

- BSC - Balanced Scorecard;
- ERP - Resource planning;
- MBC - Skills management;
- MBO - Management by objectives;
- Organizational development and process management;
- Project management and change management;
- SOM - Service oriented management.

The basic managerial functions used in organizational management are: planning, organization, leadership and communication, control.

Partial analyses used in organizational management are: BCG matrix, Critical Success Factors, Five Forces Analysis (Porter), Pareto Principle, PESTLE Analysis, Reengineering, SMART Objectives and SWOT Analysis (Vagu, Stegăroiu, 2014).

Organizational changes have become commonplace among Romanian hospitals. Investigations on the consequences of organizational change are rare and the results of the studies are inconsistent. The rational and performance implications of the hospital organizational change in Romania are analysed, in three areas:

- a) development of new multi-institutional arrangements;
- b) change in traditional ownership and management;
- c) diversification of hospital products / services and consolidation of organizational strategies.

Organizational changes in the hospital industry have started since 1990. Since then, it has spread, affecting every hospital, large and small. The explosion of organizational change is primarily caused by increased competition and uncertainty in the economic field that hospitals face. The organizational changes implemented, aimed at the health environment, the survival of the hospital in the activation area and the encouragement of the management towards new and new changes.

Organizational changes involve improving the structure of hospitals and practices for environmental requirements. In most studies of organizational change, it was based on the unit's managerial performance. Hospital changes were assumed to be independent, at least in terms of their effects on hospitals, because they can be implemented simultaneously.

### **The role of hospitals in economic development and their statistical analysis at national and county level**

Multinational health companies can play an essential role in improving access to medicines and increasing the quality of medical services offered to citizens, but also in expanding Romanian economic opportunities (Vlădescu, Bușoi, 2011). The hospital industry initiatives are analysed in three activity levels, based on their potential impact, as follows:

1. **Creating inclusive business models:** Inclusive business models are the "strategic building blocks" in order to expand economic opportunities and create new businesses. For the health sector, inclusive business models include a range of activities, such as those focused on foreign investments, technology transfer, etc.
2. **Capacity building initiatives:** While capacity building activities do not always lead directly and immediately to new jobs, they have the potential to have a significant impact in Romania, the opportunities for vocational training are limited.

3. Rule modelling activities: Hospital units can help to model the "rules of the game" that affect the scale of the economy, political changes and regulations that lead to job creation or promotion to hierarchical functions.

In different regions, medical institutions play a major role in the social and economic vitality of the areas they belong to. Hospitals offer many jobs, being very important in areas of high poverty. The hospital industry has the capacity and incentive to mobilize resources for community revitalization.

The hospital managers are aiming to minimize downstream costs, they are trying to reach patients in rural areas at less expensive points in the health system.

Investing in health is a fundamental element of any poverty reduction strategy. It makes a crucial contribution to economic development and social protection. In an effective health care system, medical care is adequate, acceptable, efficient and universal. Improving the field of health contributes to lower morbidity and mortality rates among the population. Without hospitals there can be no social and economic development. Hospital performance is essential for the efficiency of the health system.

In the following we will briefly analyse the statistical evolution in the period 2009-2018 of the health units (category hospitals) by number of buildings, number of beds and human resources available at national and county level.

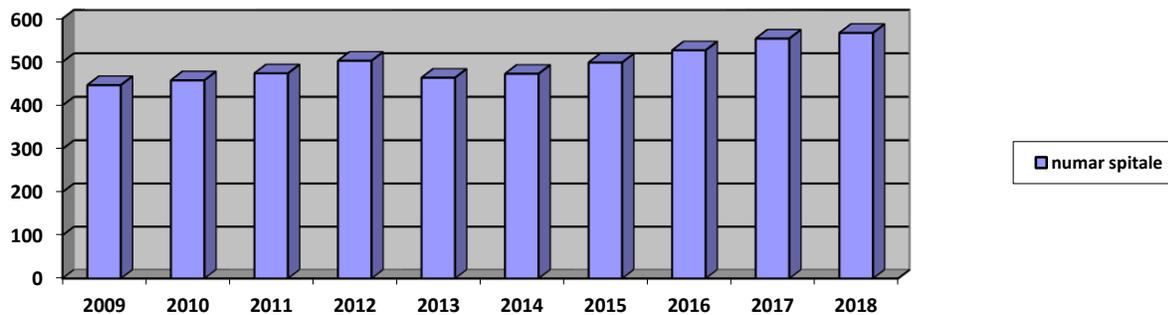
In the Table 1 we show the evolution of the hospital units on the general total during the period 2009-2018.

**Table no. 1:** The evolution of the number of hospitals existing in Romania

Hospitals – România	Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	447	458	474	503	464	473	499	527	554	567
From wich:										
public	425	428	431	428	367	364	365	366	367	366
private	22	30	43	75	97	109	134	161	187	201

Sursa: <http://statistici.insse.ro/shop>

Figure no. 1: Evolution of the number of hospitals existing in Romania – period 2009-2018



Source: [www.insse.ro](http://www.insse.ro)

The data presented shows an increase of 120 hospitals during the 10 years. It can be seen that in the first 3 years of analysis, this number increased annually, subsequently affected by the global crisis, in 2013 there was a substantial decrease in the number of hospital units, from a total of 503 units to only 464. However since then, the evolution is favourable, thus the year 2018 registered a total of 567 hospital units in Romania. Of these, most were registered in the public domain, but in 2009, the number of private hospital units accumulated about 5% of the overall total, but in 2018, their number registered about 36% of the general total. From the data provided in table 1, we can see an extremely large increase in the number of hospital units in the private domain, from a total of 22 to a total of 201 in 2018. The crisis period did not influence their evolution, on the contrary in during the deficient period, they are multiplied visibly.

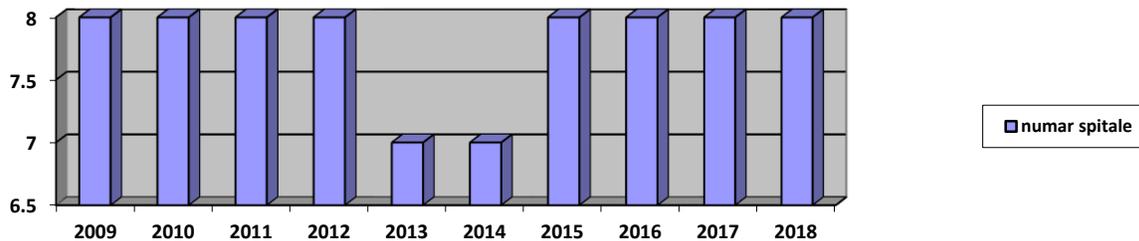
In table 2 we have shown the evolution of the hospital units in Gorj general during 2009-2018.

Table 2: Evolution of the number of hospitals existing in the county of Gorj

Hospitals - Gorj	Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	8	8	8	8	7	7	8	8	8	8

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Figure no. 2: Evolution of the number of hospitals existing in Gorj - period 2009-2018



Sursa: [www.insse.ro](http://www.insse.ro)

From the data presented, it can be seen that in the Gorj County, during the analysed period, the number of hospitals remained, respectively a total of 8 units, except for the period 2013-2014 when it was less than one unit. All these are registered in the public domain. There are no private hospitals in Gorj yet.

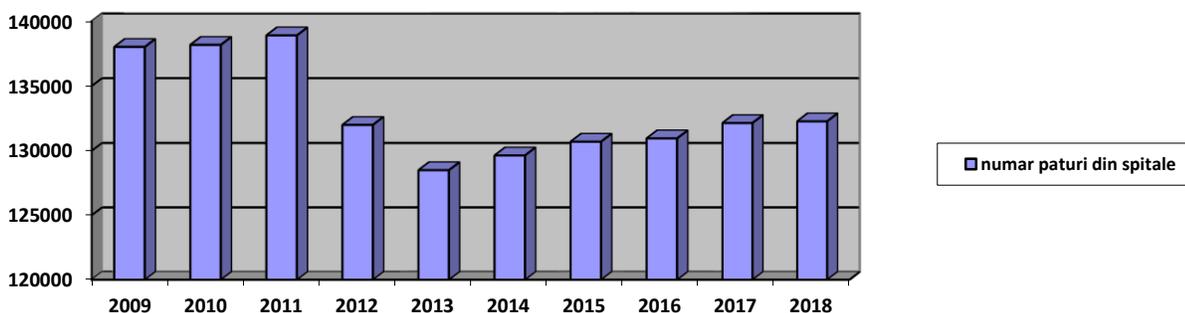
In table 3 we show the evolution of the hospital units in Gorj general during the period 2009-2018

Table 3: Evolution of the number of hospital beds existing in Romania

Beds hospitals - România	Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	138025	138184	138915	132004	128501	129642	130708	130963	132149	132277

Sursa: <http://statistici.insse.ro/shop>

Figure no. 3: Evolution of the number of hospital beds existing in Romania - 2009-2018



Sursa: [www.insse.ro](http://www.insse.ro)

The data presented shows a decrease of about 6,000 beds at national level, from a total of 138,025 hospital beds in 2009, to a total of 132,277 beds in 2018. Although in 2006 a total of 142,034 beds were declared, which the defections of some hospital units or the reorganization of sections within the existing hospitals at national level were diminished.

These figures come from a total of sections, as follows:

- ✓ in the obstetrics and gynaecology department there was a decrease of about 3500 beds from 2006 to 2018, thus reaching in 2018 a total of 8734 beds;
- ✓ at the new-born and immature section the difference is much smaller than only 700 beds, so in 2018 4630 beds are declared daily;
- ✓ at the internal section, the difference is still decreasing, it is only 4000 beds, the year 2018 being with the fewest beds registered, respectively 25834;
- ✓ at the surgery section their number has decreased insignificantly, of only 700 beds, in 2018 registering a total of 22,472 beds;
- ✓ in the paediatrics department, the number of admissions decreased to a total of 7,666 beds in 2018, with approximately 2500 less than in 2006;
- ✓ in the infectious diseases section the number of beds in 2018 was 5340, with about 7 more than the previous year and with 1400 less than in 2006;
- ✓ for tuberculosis and pneumology a total of 8609 beds was declared, being the lowest value during the analysis period, with 1500 less than the year 2006;
- ✓ in psychiatry and neuropsychiatry the number has increased, being one of the four sections that record bed increases, from a total of 17,184 in 2006 to a total of 17,257 beds found at the level of 2018;

- ✓ at the ophthalmology section, the number of hospitalizations decreased to a total of 1733 in 2018, with 500 less than the beginning year of the analysed period, and at ENT the number of beds was 2361.
- ✓ in neurology there is a total of 5786 beds in 2006, a value that shows an oscillating evolution, but at the end of 2018 there is a total of 5536 beds.
- ✓ in dermato-venerology the number of beds from 2018 also records the lowest values of 1442 beds;
- ✓ in the other sections that have growths, the situation is as follows: oncology finds at the end of 2018 a total of 3631 beds, a total of 7922 beds, and a total of 5025 at ATI.

However, there is another category called other specialties, which presents an increase from a total of 1903 beds in 2006, to a total of 4085 in 2018, being the year with the highest values recorded during the analysed period.

In Gorj country, the total number of beds available in the 7 or 8 hospital units increased from a total of 2307 beds to a total of 2313. In 2016-2017 their number determined the same number of beds, the year 2018 is the year with the highest values.

Analysing the medical-sanitary personnel on the general total and on the county of Gorj we can see:

- in 2006 there were a total of 46,936 doctors at national level and 586 in Gorj;
- in 2018 there were a total of 57,304 doctors at national level and 722 in Gorj.

In conclusion, from the mentioned data we can see an increase both in Romania and in the county of Gorj, although in 2017 the year was the year with the most doctors declared, respectively 729 in number.

## **Conclusion**

Organizational management is a common management style for hospitals. The organizational method allows managers to break down the entire operation of a department into several stages. The division of operational functions into sections allows the management to get a clear picture of the objectives of a department and how it can be implemented most effectively. It also allows the managers of the hospital units to respond quickly to the factors that affect the internal or external expectations of the unit. Researchers have been concerned with studying the possibilities that certain specific behaviours make some leaders more efficient than others. The intrinsic traits of a person are difficult to change, but we can acquire effective universal behaviours - as far as we can identify them - thus becoming successful leaders.

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