
UNIT 2 HOSPITAL ORGANISATION

Structure

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2.0 OBJECTIVES

After going through this unit, you should be able to:

- describe briefly hospital as an organisation;
- understand evolution of hospital administration;
- understand functioning of hospital;
- describe five subsystems of hospital viz. clinical nursing, diagnostic, supporting and auxiliary services; and
- describe hospital as matrix organisation.

2.1 INTRODUCTION

In this unit you will learn about hospital organisation. Hospital is made of subsystems of clinical departments, nursing services, diagnostic services, support services and auxiliary services. The best way to organise hospital is by matrix organisation.

In this unit you will learn about hospital organisation, as to how it is organised by departmentation or as matrix. The hospital is made up of a series of departments, which work together in a system to render medical, nursing and support services. You should also relate hospital as an organisation within larger spectrum of health care.

You should think hospital as complex organisation having departments of multi-discipline managed by medical, nursing, para-medical and service personnel. You as a budding hospital administrator should think of organising hospital only by departmentation which has its own merits and de-merits and also think of multiple factors like cost of medical care, the type of hospital clientele it is serving and their expectation.

You are aware of diversity of agencies owning hospital like governmental hospitals which include centre, state and local bodies, charitable organisation, private hospitals and corporate hospitals providing medical care services, hence there is no uniformity pertaining to hospital organisation. Even there is no uniformity between all government hospitals hence you would see that there is no universal model that can be applied in organising hospital. The hospital organisations of this millennium would also be effected by new techniques of tele medicine, information technology and TQM (Total Quality Management). The developing countries also have to think health care at affordable cost and thus organise their hospitals accordingly.

2.2 HOSPITAL AS AN ORGANISATION

You should try to think about hospital as a social organisation, as it is rational combination of the activities of a number of people for achievement of a common purpose or goal by

division of labour and function and through a hierarchy of authority and responsibility.

Organising is a process of grouping the necessary responsibilities and activities into workable units determining laying of authorities and communication and developing patterns of coordination, this would involve systemising of all technical and administrative activities so as to effect satisfaction to customers, employers and agencies that make it possible to organise. The organisational structure would depend on size of hospital.

You would perceive the top management is to direct and coordinate the activities of heterogeneous group of other subordinates managing various hospital services. Each of them exercise control over a unit. These departmental managers include at the upper end of the management scale the "line" managers of medical and nursing units like chief of medical/ surgical divisions, ward matrons, in charge of operation theatre etc. None of these may consider themselves as managers and they are also not formally trained for any managerial function.

The organisation process should culminate into a common goal towards which collective efforts are directed and the goal is spelt out in detail. There is a need for clear authority-responsibility relationship that power and authority factor need to be reconciled so that individual organisations are productive and goal directed and there is a clarity of organisational relationship, to reduce conflict that the unity of command must prevail and that authority must be delegated. You would also see that traditionally most hospitals have been structured according to a classical theory of organisation. The hospital organisation may be considered as it may have a structure making a pyramid organisation but functionally it would best fit into matrix organisation. This can be explained to students better by a

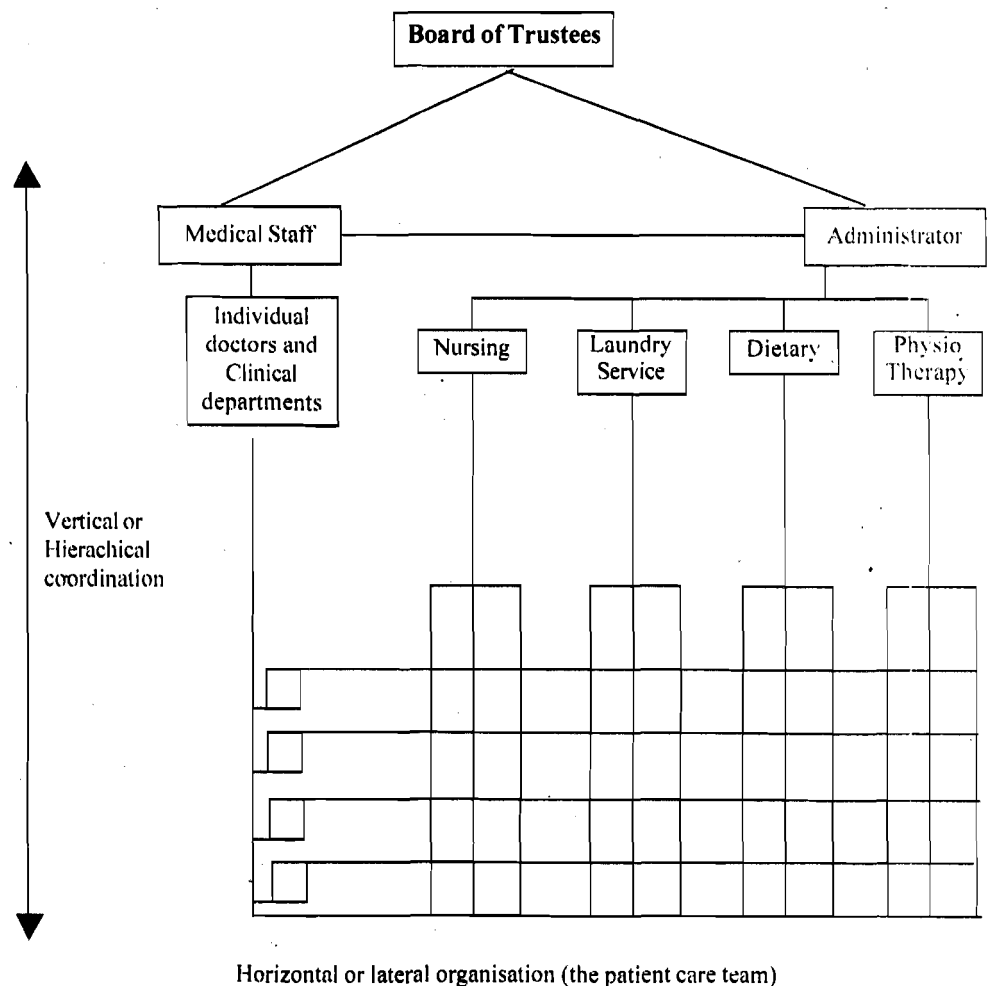


Fig. 2.1: Matrix Organisation

diagrammatic representation of matrix organisation:

The hospital organisation can be defined diagrammatically for better understanding of the student, however various hospitals depending upon their philosophy would have different organisational structure to provide patient care, the very purpose for which hospitals are created. One such organisational chart is shown in Fig. 2.2 for your understanding.

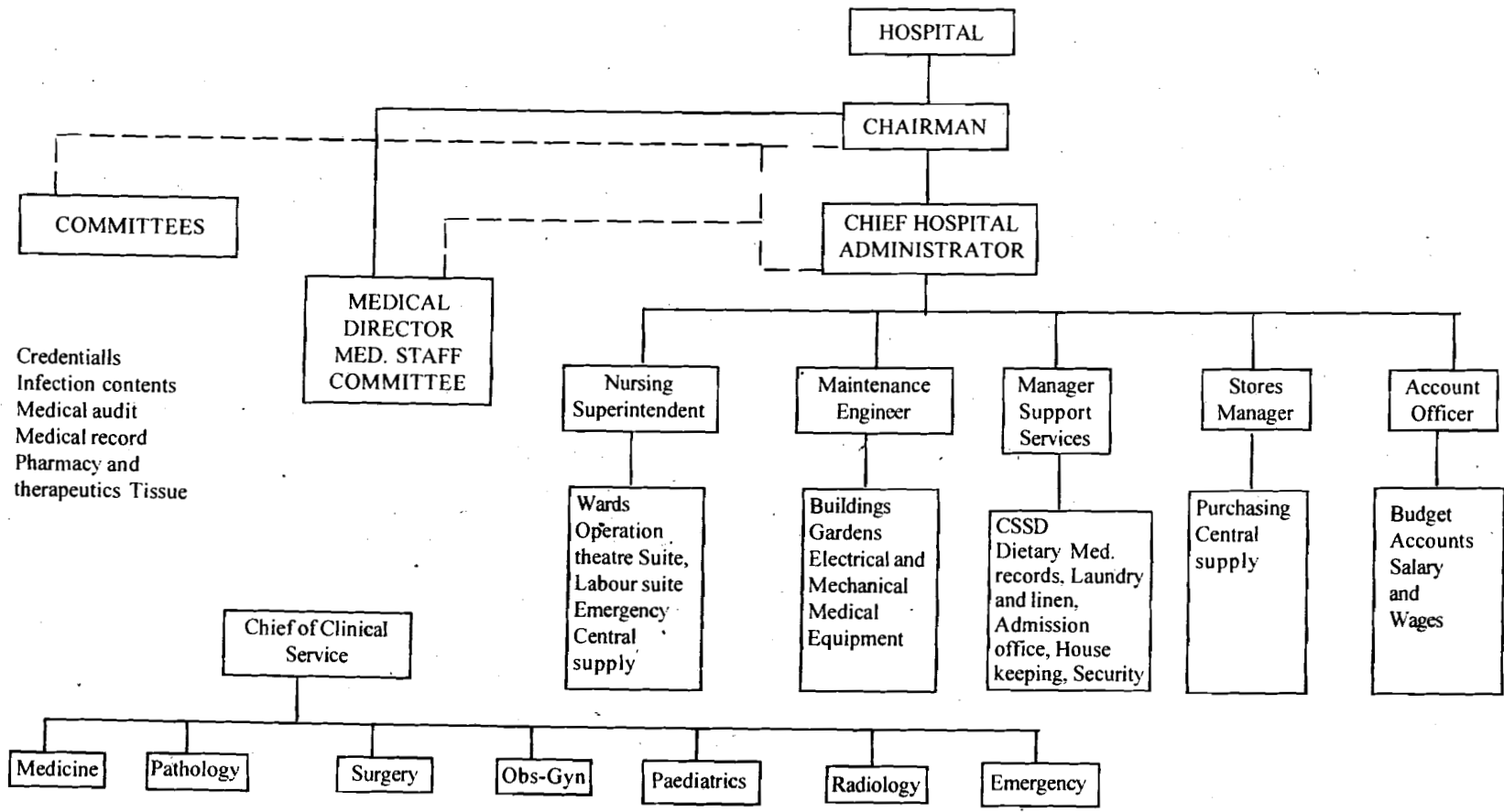


Fig. 2.2: Organisational Chart

———— Direct Reporting
 - - - - - Advisory Relationship

2.3 EVOLUTION OF HOSPITAL ADMINISTRATION

The profession of hospital administration is unique because hospitals are complete organisation where highly qualified professionals are working in a “life and death” activity, and to manage such organisation the professionals require special skill; hence hospital administration evolved as a discipline over a period of time where very few formally trained hospital administrators are available in the developing countries, while most of the hospitals are being managed by managers who had on the job training and managing by the principle of traditional approach. Though hospitals have administrative and service functions that are common to other commercial enterprises, but it requires integrating with highly technical and clinical services with administrative and service departments like laundry and hospital engineering services functioning alongside highly technical, nursing and medical care activities. This variety and complimentary are what make hospital administration such a demanding profession.

In earlier days hospital administrators were selected from the rank of nursing service and registered nurse had been serving as hospital’s head administrator. In Church hospital administrator was frequently selected from the rank of religion order.

In mid 1930 first formal university course for hospital administration was developed. The American College of Hospital Administration (ACHA) is an organisation that has influenced advancement of the profession of hospital administration. After World War II the field of hospital administration gained in status as the need for formally trained hospital administrators increased, however, the situation in developing countries including India is grim as hospital administration as a profession is still in infancy due to non availability of trained hospital administrator and pressure from clinicians to hold seat of “authority”.

In 1939 American College of Hospital Administration designed a code of ethics for hospitals and health care executives, which defines as how health care executives should function within highest standard of ethical performance. The code has since undergone several revisions in order to keep pace with change in the profession.

The clinician and practicing physicians are taking greater role in hospital management and decision making process because it effects their professional lives and these clinicians are ever taking management roles as hospital’s full time medical director.

The main task of hospital administrator is to coordinate hospital’s resources in order to fulfil institution’s medical care objective in the most efficient and effective way possible. He should manage personnel, materials, equipment and finances and is responsible for all function including medical staff functions, nursing, technical and general service activities.

The hospital administrators of 1940s and 1950s were primarily concerned with institutions’ internal operation and those activities directly supporting care of hospital’s patients. The hospital industry changed dramatically subsequently since many Governmental regulations came into existence. The hospital administrator has now two roles to perform, firstly managing those activities that went on in a hospital and secondly to understand and participate in community activities and assess the needs of community as these influence hospital’s functioning. The hospital administrator of today is expected to show leadership within hospital and outside institution’s walls. The major role of hospital administrator is also public relations and educating community about hospital matters to make hospital more acceptable by community.

2.4 HOW A HOSPITAL WORKS?

You should understand that hospital functions as ‘matrix organisation’. The experts in hospital field have recognised that complex task and highly skilled professional workers call for colleageal participatory structure while semi skilled and unskilled to do repetitive nature work require hierarchical formalised structure. Thus there has to be matched physician at one end and services handled by lower expertise personnel like laundry, dietary services and housekeeping on the other end of spectrum while nurses and technical fall in between these two categories. Thus there are two schools of thought, first one is to run hospital on hierarchical basis and second to run it on cutting the vertical line horizontally and making hospital a matrix organisation. Thus matrix is a problem solving management concept where conventional philosophy or system cannot effectively function in a hospital system. Thus

matrix can be considered as contingency or situational theory of management. This process integrate them into temporary group with the objective of solving a complex problem that formal organisation and routine methods cannot solve.

The clinicians thus consume hospital services and resources for their department from hospital system and this forms lateral horizontal coordination across various services.

The hospital is organised under governing body and functions under a hospital administrator. The hospital has broadly five main components firstly clinical services where all clinicians under various departments provide medical care to the patients, secondly nursing services where all nursing personnel provide nursing care to patients, thirdly professional or diagnostic services like laboratory and radiology services, fourthly ancillary services like laundry, dietary and housekeeping services and fifthly auxiliary services like public relation department, welfare service, religious services and hospital inn etc. The students should study hospital working under these five main components and categorise various departments under these sub systems, which are covered under Courses IV and V to follow.

The hospital should organise itself with unity of command, proper span of control, delegation of authority, coordination, line and staff relationship and function as matrix organisation. These aspects are already covered under Course I.

You should understand that there is no one best way to organise a hospital. Traditionally hospitals are organised in a classical organisation mode which served them well and still does to great extent. The modern day hospitals are always seeking better ways to manage. It is clear that hospitals, that will succeed will do so by adapting to change.

Check Your Progress 1

1) Enumerate two of the important roles of Hospital Administration.

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2) What are the five main components of Hospital.

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3) When and where the code of ethics for Hospital Administration was designed for first time.

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2.5 MEDICAL STAFF AND HOSPITAL ORGANISATION

The greatest impact the medical staff has on hospital is its role in the quality of care provided by the hospital. The responsibility of governing body and hospital administrator is to monitor quality of medical care in the hospital provided by medical professionals.

The medical profession is highly trained and motivated professional group but these clinicians or medical staff vary greatly in their approach to care. In present era of knowledge explosion there are many super and sub specialities having very individualistic approach. The task of "Coordinating" the collective efforts of medical staff is a challenging one for the administration.

The medical staff functions as per rules, regulations, policies and guidelines laid down by the hospital board and administration. In India unfortunately we are not yet able to develop standards and guidelines for the hospitals like the ones developed, by joint commission of accreditation of hospitals in USA with the result each Indian hospital in his own wisdom had developed its own guidelines and standards and there is no monitoring body for assessing quality care of the hospital and accrediting hospitals.

The medical and clinical staff can be managed through management principles of Total Quality Management. They could be governed by developing its own rules, regulations and policies through various committee methods like organising utilisation committee, medical review, Infection control, medical record, tissue committee and various such committees where clinicians are told to assess their own quality of care to the patients and these committee reports are perused periodically by governing board and hospital administration. The details of these committees need to be studied by the students from various text books of hospital administration.

The monitoring of Quality Assurance is a necessary function of medical staff. The students should read details of medical audit, Quality assurance, TQM and accreditation of hospitals for better understanding of the subject.

The medical director is a member of hospital management board, he is not answerable to medical staff but to hospital administrator even though they work with clinical problem and medical staff issues. The medical director's responsibility is utilisation review, quality assurance and aiding hospital management in understanding medical staff policies. In fact new buzz word is now 'Total Resource Planning' of hospital and students should read about principles of the management philosophy.

The aim of hospital director and medical staff in organising hospital is providing quality care to the patients.

2.6 PROFESSIONAL SERVICE DEPARTMENT IN HOSPITAL ORGANISATION

The professional service departments are those departments which assist physician and medical team in diagnosing and treating the patient like Laboratory services, Radiology department, Physiotherapy department and Cardiac cath lab. However, it is Radiology and Laboratory services which invariably exist in every hospital hence students should study in detail and visit these departments in hospitals to have better understanding. These departments are revenue generating departments in private hospitals and are more complex than other hospital departments because they perform a variety of services that make great use of sophisticated equipment and technology and highly trained technical staff.

There have also been a lot of technological advancement in these departments in last two decades which student would like to know. There have been advancement in imagining by adding ultrasound, CT Scan and MRI and in laboratory services by use of semi and auto analysers and use of various kits. One could now diagnose with precision by using these diagnostic aids.

Laboratory services are part of pathology department which has shown tremendous growth and has great impact on patient care. The clinical laboratory services include bacteriology and blood banking. In 1950 virology, cytology and fluorescent studies in the hospitals were added. The primary purpose of present day hospital clinical laboratory is to assist physicians and other members of hospital's health team in diagnosis, prevention and treatment of diseases and illness by performing tests. This department has a major impact on QA programmes in a hospital. The laboratory reports are critical to come to a diagnosis of the patient and thus to provide quality treatment in hospital, QA is very necessary. The WHO has QA programme for laboratory services and in India accreditations of laboratory services have been organised in a humble way.

You while studying any department should think of space and design of department, its function, staff requirement, organisation, operation and functioning of the department, record generation, policies and procedure, equipment and material planning and its maintenance, quality assurance and total resource planning and assess department's capabilities and limitation through these indicators.

The radiology department made its beginning with invent of x-ray by professor of Physics Dr. W. Roentgen on 08 Nov., 1895 and since then there is no looking back for radiology department and entering into era of sonography, computerised tomography (CT) and magnetic resonance imaging (MRI).

Many of the procedures as in pathology department are performed on out patient and from emergency department. The department depending upon various facilities available is divided into diagnostic, therapeutic, radiology and nuclear medicine. In bigger hospitals all these three departments make independent entity while in smaller hospitals same department does all three functions. You students should see this difference by visiting radiology department of small and big hospitals.

Check Your Progress 2

1) Name the important committees required for total quality management in hospitals.

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2) Which department of the hospital has a major impact on QA programme?

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2.7 LET US SUM UP

In this unit you have-learnt hospital as an organisation, its peculiarities, problems and ways and means to solve by management principles and understand hospital as a "matrix organisation".

The evolution of hospital administration and to understand the variety and complexity is what makes the hospital administration such a demanding profession.

You have learnt that hospital has five such components viz. clinical, nursing, diagnostic, ancillary and auxiliary.

You have been sensitised with various management principles applicable in the hospital field to provide cost effective medical care.

2.8 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

- 1) a) Managing those activities that went on in a hospital.
- b) To understand and participate in community activities and assess needs of community as these influence hospital's, functioning.
- 2) Five main components :
 - a) Clinical Services
 - b) Nursing Services

Overview of Hospital System

- c) Professional or Diagnostic Services
 - d) Ancillary Service
 - e) Auxiliary Services
- 3) In 1939 American College of Hospital Administration designed a code of ethics for hospital and health care executives.

Check Your Progress 2

- 1) Various committees are: utilisation committee, medical review, infection control, medical record, tissue committee and various such committees where clinicians are told to assess their own quality of care to the patients.
- 2) Department of laboratory medicine or laboratory services.