

CHAPTER - I

INTRODUCTION

India has started working vigorously toward the objective of providing health care for all by 2000 A.D., although in the past health was always at the bottom of the priority pyramid with only three to four percent of the total national budget being allocated to it. To meet the challenge of introducing universal health care in our country, a number of problems and dilemmas in the health care scene have to be faced before evolving a realistic system of health care delivery organization for all the people.

While our expectations from the hospitals have increased enormously, the organization and administration of hospitals have not developed and expanded to the extent necessary for meeting the needs of the community. Inadequate supply of medicines and equipments, deterioration in the standard of medical care and mounting pressure on the existing facilities are some of the common ailments of the majority of our hospitals.

Singh (1983) deplored the unhappy state of affairs prevailing in the health care delivery system and traced the reasons to irregular flow of government funds, lack of efficient administrative machinery, absence of team

work and lack of proper motivation for hospital services among some members of the medical and non-medical staff. He also observed that the grievances against doctors or attending physicians generally related to delay in rendering emergency aid to critically ill patients, inordinate delay in pathological investigations etc. Apart from all these malfunctions prevailing in hospitals all over the country, frequent occurrence of strikes was largely responsible for paralysing the normal hospital life. Moreover, nonavailability of senior doctors to render health care and treatment to the patients also gave rise to disruptive turmoil in the Indian Medical Management System. Under these circumstances, there is a felt need to improve the effectiveness of these human service organizations.

The Concept of Organizational Effectiveness

Steers (1977) noted that organizational effectiveness had several different meanings based on one's frame of reference. To an economist or financial analyst, organizational effectiveness was synonymous with profit or return on investment. To a production manager, effectiveness meant the quality or quantity of goods or services. To a research scientist, effectiveness meant the number of patents, inventions or new products of an organization. And for a number of social scientists,

effectiveness was viewed in terms of the quality of working life.

Despite the diversity of opinions, the most widely used approaches of effectiveness were : (1) the notion of goal optimization, and (2) a systems perspective. The goal optimization approach defined effectiveness as the degree to which an organization realized its goals. From this approach, effectiveness was not a simple issue. The basic difficulty in analysing it was the fact of multiple and often conflicting goals in many organizations. When there was a single goal, use of the goal approach was relatively simple, but when there was no clear hierarchy, use of goal approach became more complicated.

To avoid the pitfalls of the goal approach, Georgopoulos and Tannenbaum (1957) developed a system resources model for the analysis of organizational effectiveness. The system approach was based on the presumption that there were some system needs and mechanisms that apply to organizations relating to organizational stability, security, growth and maintenance of decision-making processes. The assessment of a particular organization rested on the measurement of its success in fulfilling these system requirements. In this view, an organization could not devote all its efforts to performing goal activities, instead, it must strive for a

balanced distribution of resources to fulfill organizational needs. The system resources approach was rooted in open system theory. As such it engaged in exchange and competitive relationship with the environment.

It is clear from the two approaches that the goal optimization approach concentrated on the output of the organizational systems, while the systems approach focussed on input-transformation-output cycle activities. In fact, systems approach was an extension of goal approach. For the purpose of the present research, organizational effectiveness is defined in the light of systems perspective as the extent to which an organization as a social system, given certain means and resources, fulfilled its objectives without incapacitating its means and resources and without placing undue strain upon its members.

A major question therefore, was how to make organization more effective that would function in a manner that would meet the needs of individuals as well as the needs of the society at large.

To be effective, the organization must continue to perform its primary task set by the architects of the organization through proper utilization, motivation and integration of the people in it. Here, the organization faces problems because adequate coordination and integration

of people by and large depend upon the climate it creates and the structure and technology which it lays down.

Organizational climate had long been recognized as a source of influence on the individual's behavior and it was defined as a set of attributes which could be perceived in a particular organization and that might be induced from the way that organization dealt with their members and environment. A number of researchers considered the importance of organizational climate on job satisfaction and performance (Andrew, 1967; Campbell, Dunnette, Lawler and Weick, 1970; Cawsey, 1973; Forehand, 1968; Friedlander and Margulies, 1969). Cawsey (1973) in a study on insurance personnel found that job satisfaction increased as the individual perceived the climate as having more achievement opportunities. Hand, Richards and Slocum (1973) in their study on middle managers concluded that employees who perceived the organization as consultative and who participated in a human relations training program had a greater increase in their performance than employees who perceived the organization as autocratic. The study conducted by Litwin and Stringer (1966) with three simulated organizations reported that subjects in the achieving climate, produced the most, but the democratic-friendly climate resulted in highest level of work satisfaction. Lyon and Ivancevich (1974) studied the impact of organizational climate on satisfaction of nurses and administrators

in a hospital. They found that climate did influence satisfaction, its most significant impact was on satisfaction with advancement and personal growth.

In addition to the climate variable, the structure and technology also influenced the effectiveness of organization. Brown and Moberg (1980) defined organizational structure as prescribed patterns of work related behavior that were deliberately established for the accomplishment of organizational goals. The findings of a number of studies suggested that decentralization in organization led to improvement in several facets of effectiveness. In particular, it was found to be related to increase in managerial efficiency, open communication and feedback, job satisfaction and employees retention (Carlson, 1951; Read, 1962; Hage and Aiken, 1967; Carpenter, 1971; Negandhi and Reiman, 1973). Pearlin (1962) noted greater alienation among nurses if the authority structure was too rigid and impersonal. Aiken and Hage (1966) found more alienation from work in highly centralized and formalized organizations which ultimately led to organizational ineffectiveness. Litterer (1965) noticed that with increased size, absenteeism and accident rates increased and job satisfaction decreased.

Many organizational theorists postulated that the technology of an organization was important for differentiating between organizations and predicting organizational

success (Hall, 1972; Perrow, 1965, 1967, 1970; Thompson, 1967; Woodward, 1965). Hage and Aiken (1969) observed that organizations with routine work were found to emphasize only the goals of efficiency and the number of clients served, excluding innovativeness or quality of client services. Burn and Stalker (1961) found that non-routine technologies led to more open communication, trust, creativity and acceptance of personal responsibility for task accomplishment.

It seems clear from the above discussion that organizational climate, structure and technology should be so balanced that the primary task will be performed, and creative thinking and innovations as well will be simulated.

Therefore, to survive and compete successfully in turbulent and hostile environments the important task of modern managers is to understand the nature and process of organizational effectiveness accurately and focus attention to identify those variables that differentiate successful organizations from the less successful ones.

To the author's knowledge, the hospital effectiveness in India is one field which has not been researched much by the Indian social scientists. Thimmappaya, Chattopadhyaya and Agarwal (1971) conducted a study to measure effectiveness of hospital performance in terms of patient satisfaction. The results indicated that in a large government

hospital, patients showed satisfaction with medical care, doctor's behavior and cleanliness. However, quality of food, communication of diagnosis, discharge policy, behavior of orderlies and sweepers were variables of dissatisfaction. Doctors felt that by reducing the interference of politicians, by increasing facilities in the hospitals and communication of diagnosis to patients, patient-satisfaction could be enhanced. In small hospitals, medical superintendents were found to be at the centre of interactions. In general, hospitals lacked good superior-subordinate relationship and adaptation function to the needs of the community.

Considering these obvious crises now pervading the Indian health service system, the hospital effectiveness study is more than just of potential significance to society. However, there is a glaring deficiency in research in this particular area. Problems of definitions, research approaches, systematic studies and factors determining effectiveness plague the studies by Indian authors.

The previous research was concerned only with the formal objectives of an organization (goal approach). Though it was realized that (Georgopoulos and Tannenbaum, 1957) the organizational success depends not only on the objectives of an organization but also on the mechanisms by which it maintains itself and pursues its objective (systems theory), no study has so far been conducted from

Technology in Determining the Effectiveness of Hospital Organizations