

Paulina Ucieklak-Jeż 1, Agnieszka Bem 2,

1 PhD of Economic. E-mail p.uciekak-jez@ajd.czest.pl

2 PhD of Economic. E-mail agnieszka.bem@ue.wroc.pl

## OUTSOURCING AS A CONCEPT OF MANAGEMENT OF HEALTH CARE INSTITUTIONS – SELECTED ASPECTS

Hospitals are a major part of the health system. Their functioning absorb over 50% of public expenditure on health. That shows the huge importance of the efficient use of resources and improving the quality of health care services. One way to improve the efficiency of the hospital is to employ the outsourcing, which in order to reduce overall costs or improve the quality of provided benefits.

Outsourcing is defined as the separation of some activities from the core business with intension of transfer them to an external entity (see [8]). Those services have generally ancillary character and are not directly related to the main activity. The concept is associated only with the services that the unit, in this case – hospital, can perform on their own, but, knowingly, this services are passed on to the others providers (see [3]).

Outsourcing is an expression of the company's efforts to focus on basic, unique competence. The result is most often a redefinition of an existing organization structure, cost reduction and employment. In the case of a hospital, where the human factor is particularly important, it can be dangerous (see [5]). Additional, expected result, is to increase the quality of benefits (see [9]). It should be noted that, although the primary motive is usually to reduce the costs (see [11]), it is not always the final result (see [6]). What's more, the expected effects may not occur as a result of low-quality of benefits or excessive costs of control (see [10]).

The aim of this paper is to presentation of indicators, which allow to assess the effectiveness of outsourcing in the hospital. We have based on the information obtained from the surveys. We have adopted several hypotheses:

outsourcing is a management concept that improves the efficiency of the functioning of health care units;

evaluation of the effectiveness of outsourcing should be based on econometric model. To construct and estimate the parameters of this model many explanatory variables must be taken into account. Those variables should correspond to both quantitative and qualitative data.

Outsourcing in health care sector usually includes the processes that lead to the rationalization of overall costs of activities. Generally, outsourcing involves cleaning services, security services or catering services. In European countries outsourcing embrace the following areas:

- image diagnostics (USG, MRI, CT, ect.),
- laboratory tests,
- digitization of medical records,
- transcription services,
- financial services (see [8]).

In Poland outsourcing services are mainly to support basic (medical) processes. These are: hotel services, transport, technical maintenance, disposal of medical waste, security. However, recently contracted processes, have, increasingly, the direct impact on the process of hospitalization. Outsourcing of services in Poland has been implemented basing on two general concepts (models). In the first model external entity takes the total control and responsibility for the complex part of activity, separated from the organizational structure of the hospital. While the second, partial outsourcing model, consist in the exercise of control over the part of hospital's activity, but without any organizational separation (see[8]).

The efficiency is a measure of resources allocation in order to get the greatest value from the fix inputs (see [1]). Niżankowski R., stresses, that the efficiency of services in health care sector describe the possibility of achieving the desired results, which includes ensuring the possibly high quality of the service, assuming that this benefit is both proper and effective (see [7]).

The most important incentives, usually, have both financial and organizational nature. The possibility of cost's reduction is extremely important, but the rationalization of employment or obtaining the sources previously unavailable play also an important role. Achieving the high level of patient's satisfaction should be also considered as the crucial premise. To assess the real need for outsourcing and to measure its effectiveness we are forced to construct indicators (measures).

According to Bielski (see [2]), to assess the effectiveness of outsourcing, different criteria should be used, and measures must have the character both numeric and descriptive. In the evaluation of selected aspects of outsourcing, for example medical transport, rudimentary measures presented below are used:

1. Transport elasticity, expressed by formula:

$$e = \frac{n_{smt}}{n_{wt}} \cdot 100\%$$

when:  $n_{smt}$  - number of fulfilled transport's requirements,

$n_{wt}$  - total number of transport's requirements.

2. Transport's reliability, defined as:

$$h = \frac{n_{tp}}{n_p} \cdot 100\%$$

when:  $n_{tp}$  - number of prompt transport's services,

$n_p$  - total number of transport's services.

3. The percentage of damaged transport's units, measured by formula:

$$u_t = \frac{u_{jt}}{n_{jp}} \cdot 100\%$$

when:  $r_{as} = \frac{n}{n_s}$  - number of damaged transport's units,

$r_{as} = \frac{n_s}{n_s}$  - total number of transport's units.

4. Rhythmicity of deliveries, represented by formula:

$$r_{dd} = \frac{n_d}{n_{dd}}$$

when:  $n_{da}$  - number of days in analyzed period,

$n_{dd}$  - number of delivery's days.

5. Share of transport's cost in total cost, calculated as:

$$SC_t = \frac{C_t}{TC} \cdot 100\%$$

gdzie:  $TC$  - transport's cost,

$TC$  - total costs (see [4]).

To assess the effectiveness of outsourcing in health care institutions we must introduce selected econometric models, in order to identify decision-making instruments which may have an impact on the analyzed processes. The first, and most important step, is the choice of services and its suppliers. Identified factors, characterizing the medical institution, like hospital's type, price, payment, quality or the stability of prices, have the crucial impact on the final form of the empirical model. This model consist of several elements:

- the choice of provider,
- the value of outsourcing contracts
- the outsourcing's decision-making,
- the choice of the most favorable supplier.

The paper presents the concept of outsourcing in health care units, and examples of models used to assess the functioning or to enhance the overall efficiency. A set of measures of effectiveness, in polish health care system, hasn't been, till now, selected. The measurement could be based on available data, coming from financial statements. The evaluation of the effectiveness should be strongly individualized and should depend on the type and size of hospital.

Theoretical reflections, concerning the outsourcing as a management concept, that may improve the efficiency of health care units, indicate that there is the potential proved the adopted hypotheses. The authors have started the empirical studies in hospitals in Poland, in order to verify this hypotheses.

## LITERATURE

1. Bem, A., Ucieklak-Jeż, P., Prędkiewicz, P. Effects of inequalities in access to health services in rural areas in Poland [in:] Management Theory and Studies for Rural Business and Infrastructure Development, eds. J. Ramanauskas, Vol. 35 No. 4, Aleksandras Stulginskis University, Lithuanian Institute of Agrarian Economics, Kaunas 2013, Lithuania.
2. Bielski, M. Organizacje Istota, struktury, procesy. Uniwersytet Łódzki, Łódź, 1997.
3. Czerw, A., Religioni, U. Outsourcing jako narzędzie poprawy efektywności podmiotów leczniczych. Polskie Stowarzyszenie Zarządzania Wiedzą, Seria: Studia i Materiały. – Nr 54. – 2011. – Pp. 77–88.
4. Detyna, B., Detyna, J. Jakość usług medycznych. Ocena statystyczna. Podstawy metodyczne, Difin, Warszawa, 2011.
5. Marcinkowska, E. Outsourcing w zarządzaniu szpitalem publicznym. Wolters Kluwers Polska, 2011.
6. Menachemi, N., Burkhardt, J., Shewchuk, R., Burke, D., Brooks, R. To outsource or not to outsource: Examining the effects of outsourcing IT functions on financial performance in hospitals. Health Care Management Review, vol. 32, issue 1, 2007. – Pp 46–54.
7. Niżankowski, R. Jakość świadczeń zdrowotnych i jej ocena. Zdrowie i Zarządzanie. – Tom V. – Nr 6. – 2003.
8. Lewandowska, H. Outsourcing. Model zarządzania w podmiotach sektora ochrony zdrowia, Difin, Warszawa, 2010.

9. Moschuris, S.J., Kondylis, M.N. Outsourcing in public hospitals: a Greek perspective, *Journal of Health Organization and Management*. –Vol. 20 Issue 1. – 2006. – Pp.4–14.

10. Young, S. Outsourcing in the Australian health sector. The interplay of economics and politics, *International Journal of Public Sector Management*. – Vol. 18 No. 1. – 2005. – Pp. 25–36.

11. Young, S. Outsourcing: uncovering the complexity of the decision. *International Public Management Journal*. – Vol. 10. – No. 3. – 2007. – Pp. 307–325.

Wyrebek H., dr inż.

Uniwersytet Przyrodniczo-Humanistyczny w Siedlcach, Polska  
wyrebekh@uph.edu.pl

## PRINCIPLES OF QUALITY MANAGEMENT FOCUSED ON THE INNOVATIVE ACTIVITIES OF THE ORGANIZATION

Transformation of the eighties and nineties of the twentieth century often referred to as turbulence led to the creation of a new economic order, which requires the development and implementation of the new rules for companies.

A feature of any organization is striving to achieve success and to this end, within the organization, it is due to management takes place in a systematic and transparent manner. It was, in fact found that the innovative activities of the organization largely depends on the implementation and maintenance of a continuous improvement process management system takes into account the eight principles.

**Customer orientation.** Organizations depend on their customers and therefore it is advisable to understand current and future customer needs in order to meet customer requirements, and to take an effort to exceed their expectations. It is natural that the client should be the focus of any organization. The business of essential action is to recognize and understand the client's needs and expectations<sup>1</sup>.

**Leadership.** Leaders establish unity of purpose and direction of the organization. It is recommended that they have created and maintain the internal environment in which people can become fully involved in achieving the organization's objectives. Each organization may have a problem with finding the leaders pursuing this principle, which would have a vision for the future properly anchored in the realities of the economic and political environment in which the organization operates, and additionally would have the ability to transfer employees to their philosophy and courses of action. Leadership within the meaning of quality management is a very difficult task. Typically, the term formal leadership in the organization is not associated with the exploration of the characteristics of a leader.

**Involvement of people.** People at all levels are the essence of an organization and their full involvement enables you to use their abilities for the good of the organization. Not all leaders and those responsible for the organization realize that people of all levels of the organization are its most important part. This principle can realize only aware of the leader, with the right characteristics, which also aware of the fact that salary is not the only element increasing employee involvement.

**Process approach.** The desired result is achieved more efficiently when activities and related resources are managed as a process. According to the definition, all interrelated or interacting activities that convert the outputs are input into the process. It is assumed that any organization conducting any activity can be considered as a process in which the entrance there are some data (a particular set of input), then processed to some output (a certain set of output). Each organization is the overall process consists of several interrelated processes and subprocesses. Typically, the entrance of one of them represents the output of another.

**System approach to management.** Identifying, understanding and managing interrelated process as a system contributes to increasing the effectiveness and efficiency of the organization in achieving goals<sup>2</sup>. It is known that the activities of any organization consists of at least a few to several processes. These processes, although these processes are influenced by the internal organization of the incoming from the outside, including the influence of other processes. Probably does not happen, that the processes are independent of each other and mutually related. On the contrary, the most common is when there are interrelationships and interactions. In a particular case, the result of one process may be the process to another. At the junction of the processes are usually the most likely potential problems. This is for the organization follows a very important task - to identify these interactions and relationships so that you can consciously manage processes in a systematic way, and so to be able to predict and apply a preventive or corrective.

**Constantly improving.** It is recommended to continuously improve the functioning of the whole organization was a permanent objective of the organization. This principle is an obvious conclusion from the analysis of the market situation nowadays. No organization can afford, because the luxury of standing in place and feelings of satisfaction with their success. This organization probably in the not so distant timeframe would be in as much or even disappeared from the market. This approach means continuous improvement, which used systematically and permanently successful organization brings a steady and strong, stable position on the market, perhaps even a leadership role.

**Effective decisions.** Effective decisions are based on data analysis decisions. This means that the organization must create the conditions for the collection of information identified as necessary and the conditions for their maintenance, updating, analyzing, sharing in an appropriate, tailored to the needs of the organization and form - the final stage - their use in decision-making.

**Relationship with suppliers.** The organization and its suppliers are interdependent and mutually beneficial relationships enhance the ability of both parties to create value. The practice shows that even in today's increasingly competitive not so