Hospital staff management: Towards a model

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Abstract

This study will allow a better understanding of an important issue in the healthcare organizations that is the retention of the qualified doctors. We will first explore and synthesize classical and modern theories on employee behavior and employee retention strategies built upon theories of employee behavior to further analyze selected cases of hospitals in the Southern Region of Saudi Arabia. In fact, healthcare institutions in this region happen to have an important rate of turnover and shortage that compromises drastically the objectives of the health system. As a result, hospitals' ability to meet the demand of citizens and the social mandate of health professionals is being limited.

Keywords: Healthcare, employee behavior, employee retention, employee turnover

1. Introduction

Many researches have demonstrated that increasing agent retention can be realized by increasing agent job satisfaction. It is in the work of Ward Whitt (2006) who developed a mathematical model to show how positively correlated were these two terms. In the same vain, increasing job satisfaction may not only increase employee retention, but also reduce high turnover, which is referred to as churn (Batt 2000, 2002; Holman 2002, 2003; Ruyter et al. 2001; Witt et al. 2004). Given that management actions may positively or negatively have an impact on agent job satisfaction, it is desirable to investigate how these measures actually affect retention, staff experience, and work performance.

In the management of hospitals, the key components to successful workforce performance depend on hiring a qualified and talented workforce and develop programs to retain it. The reason is generally believed to be the higher costs of turnover relative to the retention of current staff (Minnesota Hospital Association, 2012). Furthermore, failing to maintain the best doctors in a hospital may result in negative customer congruity towards the hospital's services. It may also cause higher risks relative to medical care failures, inaccurate surgical operations, not mentioning the consequent bad reputation it may bring along.

All of the above said explain the need to emphasize on how managers deal with their employees' needs and expectations. There are a number of elements that may give an idea of what are our concerns in this study. We intend to analyze the case of several hospitals in the Southern Region of the Kingdom of Saudi Arabia where employee turnover has become a critical issue. We need to understand what specific needs of their staff members especially the doctors are. What influences them the most to leave the hospitals and what are the winning retention strategies to put forward in order to gain their loyalty and engagement to boost the hospitals performances and carry out better customer services.

2. Significance of Hospital Management

Privatization of medical services has given a rise to active competition between privately-owned and government-based medical institutions. Thus, significance of hospital management has increased in today's increasingly competitive market situation where not only the number of hospitals is growing but also attention to better management systems is strengthening considering the fact that better management is being the base for hospital's survival and prosperity. A research from Stephan (2009) for good management practices in hospitals of different developed countries finds significant variation in the quality of hospital management practices even within a country and suggests a great opportunity for improving poorly performing hospitals. Hospitals that score high in management practices generally show better clinical outcomes, lower mortality rates, better financial performance and customer satisfaction (Stephan, 2009).

Global survey in the 6 regions of the World Health Organization (Leadership Summit IHF-2010) reveals that public sector hospitals lacks funds, understaffed, poorly managed and Human Resource Management is far from satisfactory not only in developing but also in economically advanced countries (Sarma, 2010). Therefore, there is a trend in the world that healthcare management is being one of the growing professions (Thompson, 2010). Introducing qualified management and better management methods through this in different aspects of organizing hospital work, to name some, in staff, customer, supply management gives hospitals a better position in the market. It is important to note here that giving higher importance to single aspect and neglecting the others can be dangerous for the whole business owing to the fact that all the aspects of management in hospitals are inter-related. For example, achieving to attract the best doctors and retain them well may not work well in the

end if supply management or customer management has failures or vise-versa. However, all the aspects of hospital management need specific attention to be improved. This study will explore an important aspect of hospital management that is employee management taking it one of the key aspects of complete hospital management system.

3. Literature review

In this section, we analyze classical theories concerning human behavior and its affecting factors with an intention to synthesize a model to better expect and manage employee behavior in the organization.

3.1 Theories of Motivation

Motivation refers to the forces within an individual that account for the 'level', 'direction', and 'persistence' of effort expended at work. The 'level' is the amount of effort a person puts forth; the 'direction' is an individual's choice when presented with a number of possible alternatives; and the 'persistence' involves the length of time he or she stays with a given action (Schermerhorn, Hunt, and Osborn, 2005). Pritchard and Ashwood (2008) define the concept as the process by which a person allocates energy to maximize the satisfaction of needs.

The content theories may be understood as the tendency to focus on profiling the needs that one seeks to fulfill. Content theory of human behavior includes both Maslow's Hierarchy of Needs and Herzberg's Two-factor Theory. Each theory offers a slightly different view.

3.1.1 Maslow's Hierarchy of Needs

Maslow's model is one of the most largely discussed motivation theories. Maslow believes that people are motivated by unsatisfied hierarchic classes of needs starting from basic or lowest-earliest needs to more complex or highest-latest needs. The latter can be classified as follows:
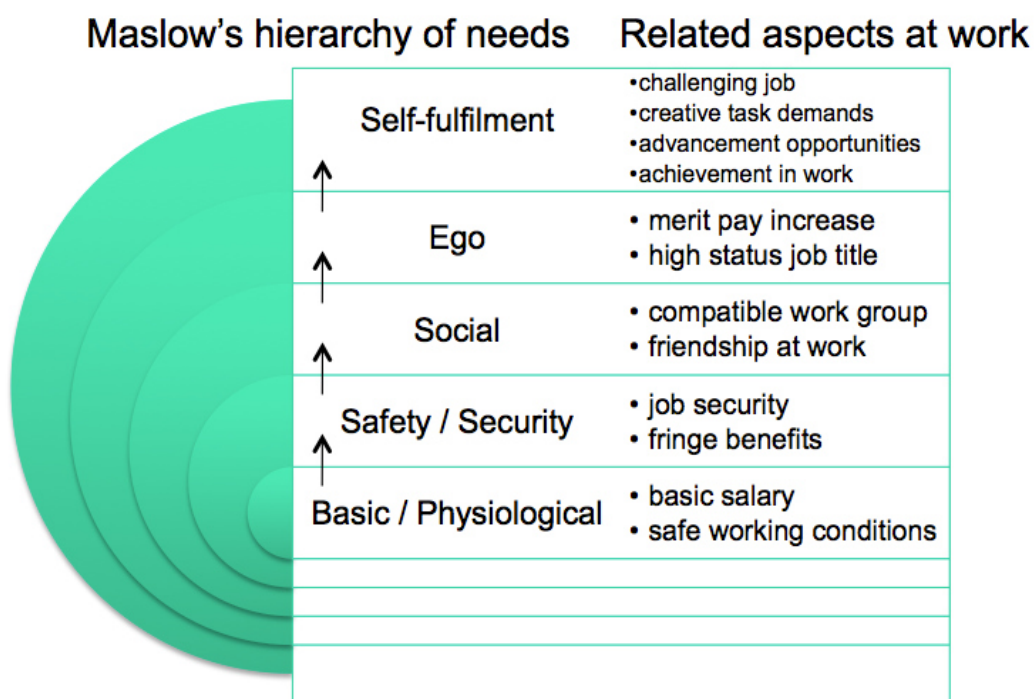

Figure 1.2: Maslow's Hierarchy of Needs

3.1.2 Frederick Herzberg's two-factor theory

Frederick Herzberg's two-factor theory, namely intrinsic/extrinsic motivation, implies that job satisfaction can be driven by certain factors in the workplace. However, if missing, they do not result in either dissatisfaction or satisfaction. According to Ryan, Richard and Edward L. Deci (2000) intrinsic motivation is a natural motivational propensity that has direct impacts on an individual's cognitive, social, and physical development. On the other hand, extrinsic motivation refers to the execution of an activity aiming at providing an outcome. It therefore comes from outside the individual (Dewani Vijay, 2013).

Herzberg's theory distinguishes two main factors: Motivators (for instance challenging work, respect, responsibility) which carry out satisfaction; and Hygiene factors that do not motivate if present, but, if absent can be the source of demotivation (for instance, pay, benefits, working conditions, interpersonal relations).

3.1.3 The ERG of Clayton P. Alderfer model

The ERG of Clayton P. Alderfer model was an article entitled "An Empirical Test of a New Theory of Human Need" that appeared in 1969 in reaction to Maslow's Hierarchy of Needs. He distinguishes three categories of human needs that influence a worker's behavior: the existence needs (Maslow's first two levels), the relatedness needs (third and fourth levels) and the growth needs (fourth and fifth levels)

Figure 3.1: The Alderfer's ERG Model

Contrarily to Maslow's idea that the access to the peak of the pyramid required satisfaction in the lower level needs, the ERG model is significant to the point that its levels are not necessarily stepped in a one way out. It stipulates that the order of importance, in this framework, can vary according to the needs of the individuals. A person can indeed regress to lower level needs that are likely to be easier to satisfy when he or she realizes that the higher level needs remain unfulfilled.

3.2 Theories of Retention

3.2.1 Reducing Employee Turnover

Beforehand, it is necessary to understand that there is a clear difference between 'employee turnover' and a company's financial turnover. In accounting, the financial turnover refers to the number of times an asset is replaced (or sold) during a defined financial period. It is the financial ratio by which a company can measure the efficiency in the use of its assets for generating sales revenues.

By 'employee turnover' (also known as 'labor turnover' or 'staff turnover'), we mean the rate at which an employer gains or loses employees. In that case, 'high turnover' implies that the employees are leaving the organization at a fast rate. There are many factors that may cause high staff turnover: low salary, poor working conditions, dismissal, resignation, and so on. Reducing the high labor turnover in a company is, therefore, a way of implementing a smart employee retention strategy.

In fact, recruiting a 'newbie', or finding a replacement, and training them cost a lot of money and energy. This is to say that turnover has a negative impact on the productivity and the morale of the company (see for instance Zeynep Ton & Robert S. Huckman, 2008). As highlighted in the study of Matthew O'Connell and Mei-Chuan Kung (2007), there are hidden costs such as productivity loss, workplace safety issues, morale instability, negative word-of-mouth propaganda etc., in addition to the replacement fees. In the same vein, job dissatisfaction is believed to be an influent driver leading to turnover (Peter W. Hom and Angelo J. Kinicki 2001).

A research by Lucy Firth *et al* (2004) suggested that high turnover could be reduced by actively monitoring workloads and the relationships between supervisors and subordinates. In addition, managers should manage both the intrinsic and extrinsic drivers of job satisfaction that can reduce stress and increase commitment to the organization.

Another study by Kall S. Thomas et al. (2012) on the relationships between licensed nurse retention, turnover, and a 30-day re-hospitalization rate, suggested that since a stable set of nursing personnel is more keen on delivering better health care, policy-makers should favor and focus on the retention of the licensed nurses.

3.2.2 Increasing Employee Satisfaction

An organization's staff is more than just employees. They represent, in fact, the single most valuable asset within the organization. As a widespread theory, it is believed that in general, satisfied employees perform their job more effectively than unsatisfied ones (Shipton et al., 2006). This theory is mostly called the 'happy-productive worker hypothesis' (Fisher, 2003). It implies job satisfaction being assessed with both its global aspects and the multiple facets such as salary, career plans, supervisor supports, and so forth.

In the healthcare context, many researches have demonstrated the relatedness between job satisfaction and the quality of care provided. Evidence suggests that, for instance, good HRM makes the difference in the hospital's setting (Buchan, 2004), and even reduces mortality (West et al., 2006). However, it is undeniable today that one of the trickiest aspects in assessing job satisfaction is that employees can be satisfied with some aspects of their job, and at the same time dissatisfied with other facets of the job (Spagnoli et al., 2012). Their retention can be successful if the organization succeeds in making changes in the aspects of the job they are dissatisfied with.

Some researches including Hee Yoon, Hyun Seo, and Seog Yoon (2004) have developed a model focusing on organizational antecedents of employee satisfaction and employee customer service. They list three antecedents:
- Perceived Organizational Support (POS)
- Perceived Supervisory Support (PSS)
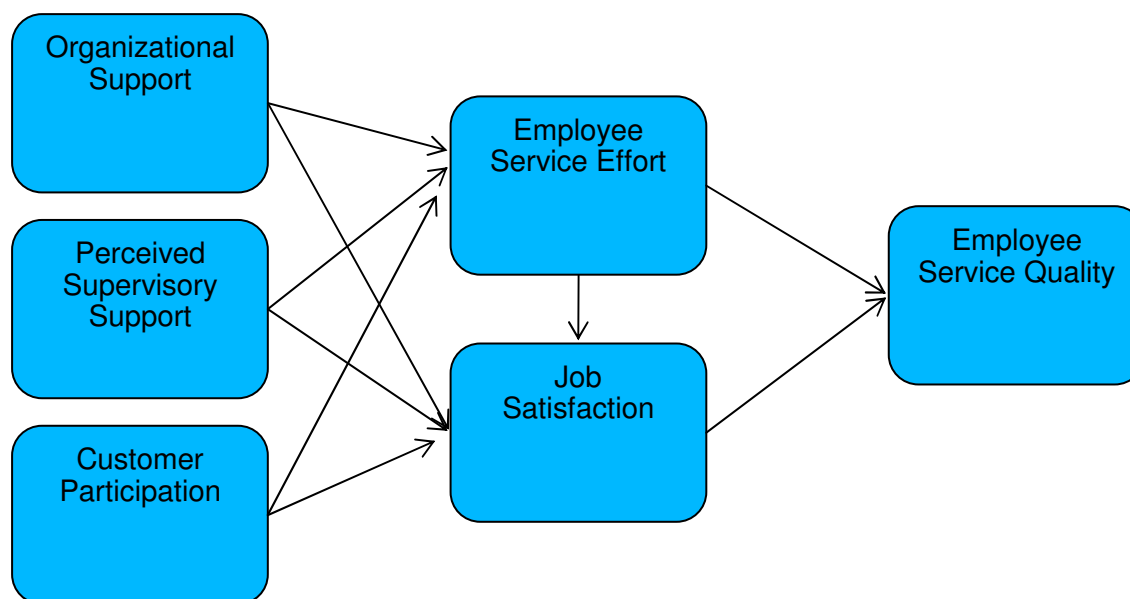- Customer Participation

Figure 3.2: Organizational Antecedents of Employee Satisfaction & Employee Customer Service (Yoon et al., 2004)

The POS reflects employees' perception that the organization values their contributions and cares about their well-being.

The PSS reflects a climate of trust, helpfulness, and friendliness between the supervisors and the subordinates. A high PSS is therefore meaning that important socio-emotional taxonomies are running well in the work environment.

Customer Participation is the extent to which a client is physically, mentally, and emotionally involved in the delivery of the service/product. In a nutshell, the model indicates clearly that increasing employee satisfaction will affect the service quality he will provide through his own service effort and perceived job satisfaction.

4. Proposed framework
4.1 Research Questions
In order to get a crystal clear understanding of the problem-based topic, several questions need to be answered. However, there is a fundamental problem that needs to be formulated so much so that the concern in Southern Region may lead to a specific and precise paradigm. The research question could be formulated as follows:

Prime question requires several sub-questions that need to be taken into consideration. They are framed as follows:
        Question 1: What is the managerial environment in Southern Region hospitals?
        Question 2: What are the problems and impediments they face?
        Question 3: How does the medical staff manage high turnover?
        Question 4: How do doctors perform towards the organization and the clients?
        Question 5: Why should doctors' retention be the keystone to customer satisfaction?
        Question 6: What are the alternative solutions to such impediments?

4.2 Significance of the Research
On a practical viewpoint, this research will provide tools and prerequisites to prevent hospital managers from facing high turnover, instead will reconcile with the well-being of their employees.
Another way to grasp the significance of this research is to realize how it sheds lights on crucial HR issues such as employee satisfaction, motivation, and customer care services.

4.3 Objectives of the Research
Nowadays, gaining one's employees' loyalty has become one of the most important issues; an integrated part of a company's corporate strategy. The faithful employee is the one who likely has a significant seniority in the company, a very low propensity to consider and seek another job opportunity. S/he has a strong sense of belonging towards his organization due to many factors underpinning his motivation.

The companies that are indeed facing high risks of turnover usually undermine many constraints such as the opportunities to enjoy further professional careers, work/life balance, job security, and so forth. We may realize also that these factors occur mostly in sectors that are particularly competitive, and in which the offer for employment is high. Therefore, uttermost human resources management strategies should be put forward.

This is a way to explain the purpose of our work. Our objectives can be clearly defined as first, to understand the factors causing high turnover in the hospitals of the Southern Region. Then, it is a must to draw adequate retention strategies to not only restrain the risks but also initiate a culture of employee loyalty by balancing the company's objectives and the employees' expectations. Lastly, we intend to provide tools and strategies that may enhance customer satisfaction and provide a better image of these hospitals.

5. Future plans
Employee retention strategies are all built on results of human psychology researches. Human psychology itself is still too complex to fully understand considering the fact that it may be related to the specific needs of those people from that specific region. It is for sure that there are universal theories which work well with any human-being on the planet, but, there might be some specialties of the people inferring from their mentality, beliefs and values, namely of the Southern Region. Future research must explore all the factors influencing employee and also customer satisfaction in order to develop an integrated management strategy for hospitals in the Southern Region.

6. Conclusion
In conclusion, we can say that customer retention strategies must be built on thorough investigation of the hospital employees in the Southern Region. Investigation in turn, must be based on classic and modern theories of human behavior, employee satisfaction and retention. Results from questionnaire built upon integration of such theories will provide a clear view to us about problems of employee retention in general and in the Southern Region specifically.

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