Chapter I

INTRODUCTION TO THE TOPIC
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This chapter is divided into following segments

1. Introduction to Personnel management
2. Introduction to concept of Hospital
3. Historical development of hospital and progress made by India in medical field.
4. Hospital management and role of Personnel management in it
5. Formulation of Hypothesis
6. Hypothesis
7. The Review of Pertinent literature on the topic

1. Introduction to the concept of Personnel Management

An organization whether formal or informal, large or small consists of Personnels who come from different walks of life, who are different from one another in their physical, mental and intellectual make-up. These Personnels have skill, creativity, talent, values, attitude etc they are sum of total inherent abilities, acquired knowledge represented by talent, which can make them useful resource to the organization.

The attitude of Personnel towards his work is influenced by intangible psychological and social factors such as family breeding, education, personal likes and dislikes, emotions, working conditions, recognition of work, wages, facilities provided, rewards, punishment, etc. While his Performance at work is modified by environmental factors such as education, training and experience. With the help of acquired knowledge
and skill these Personnels are capable of producing new ideas, developing and improving the available resources in order to achieve the organizational objectives.

To deal with all these physical, mental, intellectual, personality factors etc is very difficult and to develop a personnel into a useful resource is even more challenging. Here Personnel management’s role assumes greater significance as Personnel management is branch of management, which deals with management of Personnels.

Personnel management is concerned with procurement, development, compensation, integration and maintenance of personnels for the purpose of contributing to organizational, individual and social goals. Personnel management further ensures that there is effective utilization of available human resource. As Douglas McGregor puts it “Many Managers would agree that the effectiveness of their organization would be at least doubled if they could discover how to tap the unrealized potential present in their human resource” (1)

Thus the role of Personnel management is of vital importance in organization, to get a broader view of the term “Personnel Management”, let us examine few definitions given by experts in the field.

In the opinion of Dunn and Stephens “Personnel Management is the Process of attracting, holding and motivating people involving managers and line and staff.” (2) This definition shows that Personnel Management is principally concerned with three activities attracting people, retaining them and motivating them.

The definition formulated by Indian Institute of Personnel Management - “ Personnel Management is that part of management function which is primarily concerned with the
human relationship within the organization. Its objective is the maintenance of those relationships on a basis, which by consideration of well being of the individual, enables all those engaged in the undertaking to make their maximum personal contribution to the effective working of that undertaking” (3) the definition was renewed in 1963.

The above modified definition was “Personnel Management is a responsibility of all those who manage people as well as description of the work of those employed as Specialists. It is that part of management which is concerned with people at work and their relationship within the enterprise. It applies not only to industry but all fields of employments.” (4). This definition was more elaborate and relevant to developments that took place over the period of time.

According to Edward Flippo “Personnel Management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resource to the end that individual, organizational and societal objectives are accomplished ”(5) This definition is comprehensive and covers both management and operative functions.

The concept of Personnel Management has drawn its knowledge and insight from the contribution made by various other disciplines. Psychologists have contributed through extensive research on behaviour of Individual and its relation to work environment, Sociologists have made major contribution in group behaviour and group dynamics study,

Anthropologists examine social, technical and human behaviour which are part of broad concept of culture. Physiology has added useful information to effect of monotony, boredom on
productivity. Economics have contributed both in terms of theory and information to theory of industrial relations etc.

From Management perspective Personnel management forms one of the major functional areas of management. The following diagram shows the four major functional areas of Management.

(Figure – I-1)

Functional Areas of Management

Management

Production  Finance  Marketing  Personnel

In the above context Personnel management is a part of management concerned with people at work. The study of functions of Personnel Management will help us to provide information about the role of Personnel Management in Management. The figure – I - 2 covers the major Personnel Management functions associated with Hospital Personnel Management.
From the above discussion the concept of Personnel Management becomes clear, now let us study the concept of Hospital.

2. Introduction to concept of hospital

The term hospital is derived from the Latin word "Hospitalis" which comes from "Hospes" meaning a host. To get the clearer idea of the term hospital, let us examine some of the definitions.

New Gould Medical Dictionary defines hospital as "An institutions for medical treatment facility primarily intended, appropriately staffed and equipped to provide diagnostic and therapeutic services in general medicine and surgery or in some
circumscribed field or fields of restorative medical care, together with bed care, nursing care and dietetic services to patients requiring such care and treatment." (6)

The directory of hospitals in India defines hospital as "An institution which is operated for the medical, surgical and/or obstetrical care of inpatients and which is treated as hospital by the central/state government, local bodies or licensed by appropriate authority. (7)

Dorland's illustrated medical dictionary defines hospital as "An institution suitably located, constructed, organized, staffed to supply scientifically, economically, efficiently and unhindered, all or any recognized part of the complex requirement for the prevention, diagnosis and treatment of physical, mental and the medical aspects of social ills with functioning facility for training new workers in many special, professional, technical and economical fields, essential to discharge of its proper function and with adequate contacts with physicians, other hospitals, medical schools and all accredited health agencies engaged in the better health programmes." (8)

R. C. Goyal defined hospital as "An institutions which possess adequate accommodations and well qualified and experienced personnel to provide service of curative, restorative and preventive character of the highest quality possible to all people regardless of race, colour, creed or economic status which conducts educational and training programmes for the personnel particularly required for efficacious medical care and hospital service which conducts research assisting the advancement of medical service and hospital service and which conducts programme in health education." (9)

All the above definitions define hospital as an institution with multifunctional activities. The definitions given by
Dorland's illustrated medical dictionary and R.C Goyal are more comprehensive highlighting need for well experienced, well qualified and well organized Personnels to provide quality service. The new Gould's medical dictionary definitions is simple focusing on essential services provided while the definition given by directory of hospitals in India is too short to include different aspects of hospital.

The above discussion gives us insight into the concept of Hospital. Now let us turn to study historical development of hospital and progress made by India in medical field.

3. **Historical development of Hospital and progress made by India in medical field.**

The health of the society depends upon the health of human beings that live within. Every society has its share of unhealthy human beings that represents the society as much as the healthy section. The unhealthy human beings within the society for its cure require medical treatment, care and shelter and they look towards the society as a whole for it. To cater to this need of the society hospitals were developed

The history of Indian medical science goes back to ancient time, although the study is handicapped due to lack of records and details, the books written by number of foreign travelers to ancient India and the seals discovered at Mohenjodaro and Harappa have produced valuable information about the ancient Indian medical system.

It is believed that medicine taught at university of Nalanda and Takshila have contributed to the advances of Arabic medicine. Every major city had a medical school. There were number of hospitals to look after the sick, poor and crippled during the Buddha, Ashoka era. Chakra and Sushruttha were famous physicians of those times. In Upakalpa – Niyam
Adhyayam, they have given specifications for hospital buildings, labour rooms, children wards, qualification for hospital attendants, specifications for hospital equipments, diet etc.

This is an evidence to show that ancient Indian medical science was amongst the best in world. The decline of Indian medical system started with foreign invasions in 10th century AD, which led to replacing of native Vaidyas with Hakims.

The use of allopathic system of medicine was introduced to India by Europeans in 16th century. The Portuguese organized hospitals on European type through missionary organizations. The European doctors employed through East India Company played vital role in introducing modern medicine in India. The East India Company established its first Hospital in 1664 for its soldiers and in 1668 for civilian population.

After Independence, there was rapid industrialization. At the same time there was consistent growth in the population leading to number of health related problems, which hindered the progress of nation in the initial stages. But with the establishment of planning commission in 1950, the country was able to face the problem with scientific planning. The table I-1 gives us details of health plan outlay since 1950.
(Table – I- 1)
Outlay of National health Plan during 1950-97

<table>
<thead>
<tr>
<th>Plans &amp; its Period</th>
<th>Total Plan Outlay (cr)</th>
<th>Health Plan Outlay (cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Plan 1951-56</td>
<td>2356</td>
<td>164</td>
</tr>
<tr>
<td>Second Plan 1956-61</td>
<td>4800</td>
<td>307</td>
</tr>
<tr>
<td>Third Plan 1961-66</td>
<td>8098</td>
<td>341.8</td>
</tr>
<tr>
<td>Annual Plan 1966-69</td>
<td>6756.5</td>
<td>215.3</td>
</tr>
<tr>
<td>Fourth Plan 1969-74</td>
<td>15902</td>
<td>749</td>
</tr>
<tr>
<td>Fifth Plan 1974-79</td>
<td>39322</td>
<td>1179</td>
</tr>
<tr>
<td>Annual Plan 1974-79</td>
<td>12601</td>
<td>384.4</td>
</tr>
<tr>
<td>Sixth Plan 1980-85</td>
<td>71000</td>
<td>2028</td>
</tr>
<tr>
<td>Seventh Plan 1985-90</td>
<td>180000</td>
<td>6649.2</td>
</tr>
<tr>
<td>Annual Plan 1990-92</td>
<td>137033.5</td>
<td>1934.5</td>
</tr>
<tr>
<td>Eight Plan 1992-97</td>
<td>412000</td>
<td>8400</td>
</tr>
</tbody>
</table>

Source – Ministry of health and family welfare, annual report for 1998 pg 29

From the table I - 1, it is observed that there was 51% increase in the health plan outlay during 1950 to 1997. This increase was not significant considering the growth of population every year and increasing health requirements in respect to the growing population.

After Independence the progress made in medical field was largely through five-year plannings. Following is a brief review of five-year plans between 1951 – 1997

1. **First five year plan (1951-1956) –**

   During the first five year plan the ratio of health care personnel to population was 1:6300 for doctors, 1:43000 for
Nurse. There were 8600 hospitals and dispensaries with bed strength of 1,13,000 beds by 1956 the number of hospital and dispensaries rose to 10,000 while bed strength rose to 1,25,000 beds. It was observed that causes of low state of health was lack of hygienic environment conducive to healthy living, low resistance due to poor nutrition, unsafe water supply, improper disposal of human waste, lack of medical care both curative and preventative and lack of trained health care personnals etc

2. Second five year plan (1956-1961)

The general objective during this plan was to expand existing health services, it was decided to establish 3000 health units for which Rs 23 crores were allocated.

3. Third five year plan (1961-1966)

In this plan specific programmes were formulated for improvement of environmental sanitation, control of communicable diseases and training of health care personnals. The target of establishing additional 54,000 beds strength during this plan was achieved. The number of medical colleges went up to 57 with number of admission reaching 10,500 seats


During the Fourth five-year plan efforts were made to provide effective base for health services in rural areas by strengthening the primary health centers. By the end of this plan there were 4326 public health centers, 22826 rural sub centers, while arrangement were made to train 10,000 medical and 1,50,000 paramedical personnals for the purpose. During this plan 10 new medical colleges were opened. The doctor - population ratio improved from 1:6100 to 1:4300 while the number of nurses went up to 88,000.
5. Fifth five plan (1974-1979)

The primary objective of this plan was to provide minimum public health facility integrated with family planning and nutrition for children, pregnant mothers and lactating mothers. The accent during this plan was

i. Increase accessibility of health service to rural areas
ii. Correcting the regional imbalances
iii. Removing drawbacks in district and sub divisional hospitals
iv. Control and eradication of communicable diseases
v. Improvement in education and training of health care personnel

The emphasis of this plan was on consolidation rather than expansion.


In spite of significant achievements health care systems suffered some weakness, the infrastructure of primary health care centers and rural hospitals reached only fraction of rural population. The involvement of people in solving their health care problems was almost non-existent, doctors and paramedical personnel were reluctant to work in rural areas. Thus the emphasis of the plan was to restructure and reorient health care programmes according to National health policy.

7. Seventh five year plan (1985-1990)

The major thrust of this plan was

i. Minimum need programme would continue to anchor for promotion of primary health measures
ii. Effective coordination of health and health related services
iii. Community participation
iv. Improvement in Family planning programmes
v. Training
vi. Medical research


Many spectacular successes have been achieved by the country up to eight five-year plan. Small pox was no longer major problem, plague stood eradicated, Morbidity and Mortality on account of Malaria and Cholera have declined, Crude birth rate infant mortality rate have declined to 29.9 and 80 from 37 and 129 in 1971, Life expectancy has risen from 32 in 1947 to 62 in 2000.

It was of crucial importance for effective delivery of health care service that entire approach towards manpower development be reviewed and restructured thus in this context, strategy for health manpower development was devised. Highlights of it are

- The draft on National policy of education in health sciences formed basis of new initiative on manpower development.
- The existing situation regarding manpower supply and demand was revised in light of National policy
- No new medical college or increase in admission capacity of existing college was supported instead resources were to be used to strengthen the existing ones.
- Establishment of universities of medical and health sciences at regional level will be supported
- Training of doctors will be reviewed to make congruent with needs of national health programme.
- Emphasis on faculty development in medical education.

In the conclusion it was observed that the progress made in medical field has not been uniform all over India, in
some parts of the country, which had more medical colleges, the progress has been rapid while in other areas where communication has been inadequate and sparse population the progress has lacked far behind. In the next segment we shall focus on hospital management and role of Personnel management in it.

4. **Hospital Management and role of Personnel management in it**

   In the past hospitals had the luxury of adopting hit and miss method of Management, even the most sophisticated hospital were governed by stereotype of management where a senior doctor was entrusted with responsibility of Hospital management. But with passage of time and rapid progress made in medical field, the present day hospitals have become hi-tech organization with multifarious services and employing highly skilled personnel, to manage such complex organizations is a challenging task. Some of the challenges faced by modern day hospitals are

   - There has been tremendous expansion in hospital services with specialization becoming order of the day.
   - With explosive rise in population there has been rapid rise in number of patients who take hospital services their demands and expectations are ever increasing.
   - Hospitals have become labour intensive organizations employing large number of employees.
   - The rising cost of hospital services and its maintenance have become quite expensive, in view of high cost involved there is a need to re-examine the existing working methods and techniques to ensure optimum use of resources.
The hospital management has to coordinate the functions of different divisions of the large organization into functioning viable system so as to ensure professional competence, efficiency and high level patient’s satisfaction.

To deal with these challenges there is a need to run hospital on sound management principles, set goals and objectives to be achieved, motivate employees to their best to achieve these objectives through co-operative employee management working relationship. Here the role of Personnel management assumes importance.

Personnel management functions have always been practiced in hospital, but not in specialized form as a result its benefits has never been fully utilized by hospital management, therefore it is essential that the importance of Personnel management be recognized by hospital authorities. The establishment of specialized Personnel department will help to reap maximum benefit in the above context, it will also ensure that the workload of Hospital administrator is reduced.

Today each employee wants to know the terms and conditions of his employment, the regulation that govern his employment and principle, which guide the administration of hospital in its relationship with him and with hospitals becoming labour intensive organization, employing large number of employees. Such labour intensive organization needs highly specialized and proficient Personnel management to satisfy the needs.

Personnel management encourages mutual confidence and understanding between employee and management as well as among employees themselves. Thus the role of Personnel Management in hospital is of greater significance and cannot be ignored in context to efficient management of Hospital.
5. **Formulation of Hypothesis**

The present study is the first of its kind in this region, it basically aims at studying the role of Personnel Management in hospital and it further makes an enquiry to know the factors which contribute the most to implement the concept in hospital for its systematic functioning and efficient management. The process of hypothesis development is shown in the figure I-3

(Figure I-3)

**The process of hypothesis development**

- Formulation of Hypothesis
- Theory base
- Research
- The problem under study
- Formulation of Hypothesis of Research
- Purpose
- Design

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Field data, evaluation and findings

6. **Hypotheses of the problem**

1. There exists no positive correlation between Manpower planning and effective utilization of human resource in selected hospitals.

2. Hiring and retaining the right employee is an important parameter in efficient management of selected hospital.
3. There was similarity in pay scales of selected hospitals and principle of equal pay for equal work was followed in selected hospitals.

4. Labour welfare facilities are not sufficient in the selected hospitals.

5. Employees participation in management is not found at all levels of management in the selected hospitals.

6. The existing machinery is not sufficient and efficient in selected hospitals for maintaining cordial employee-management relations.

7. The Review of Pertinent literature on the topic


   The book represents collection of modern concepts, professional adjustment and trends in ward management in hospitals.

   A.K.Sood, *Hospital Planning and Administration*, Symbiosis Center for health care, 2001

   The author has covered different aspects related to hospital Planning and administration required for smooth functioning of Hospital management.

   Dr. T. H. Randhani, *Medical Administration's Comparative experience*.

   The book deals with modern hospital especially in the age of privatization and competition focusing on high quality medical
care to patient. The author has presented simple account of his comparative experience as hospital Administrator.


This book serves as a text for student pursuing courses in Hospital Administration. It deals with various methods of organizing Hospital Personnel Management and how these methods can be implemented in scientific manner.

Lawrence F.Wolper, Health care Administration – Planning, Implementing and Managing organized delivery system, Taylor and Francis, 1995

The author has provided comprehensive coverage of functional, technical and organizational matter pertaining to contemporary health care administration.

Peter Kongstvedt, The managed Health care handbook, Jones and Bartlett Publisher, 2000

The author provides a strategic and operational resource for use in planning and decision-making. It includes advices from experts in field on quality management, claims and benefit Administration and managing Patient’s demands.

Stefani Daniels, Hospital Case Management Workbook, Jones and Bartlett Publisher, 2004

This text address the role of Hospital administrator from Business perspective and covers all the areas that are involved within the parameters of hospital management.

Sarah Hosking Design, Management and Maintenance of health care Premises, Taylor and Francis publisher, 1999

The writer shows that significant improvement can be made with limited resources if the hospital organizes what can be achieved, Set standard and invest in right expertise.
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