IMPACT OF DECENTRALIZATION IN HEALTH SERVICE: ROLE OF THE MANAGER, REFERENCE TO; SERVICE ARRANGEMENTS, CONTRACTS AND OUT SOURCING OF SERVICES

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Abstract Decentralization is the process of redistributing or dispersing functions, powers, people or things away from a central location or authority. While centralization, especially in the governmental sphere, is widely studied and practiced, there is no common definition or understanding of decentralization. The meaning of decentralization may vary in part because of the different ways it is applied especially in the health service industry. Mostly authority and orders are conceptualized at the highest hierarchy which makes managers at the base and middle level in health suffer during processes of out sourcing , contracts etc. since they are to petition the head office and wait for orders until definitive measures are taken. This has been the norm of many health organisations and brings setbacks. Decentralization as a process when established will help solve most of these problems of administration in the health service.

Key Words: Central board of health (CBOH), decentralization, health authority, administrative and political, budget management center (BMC), ministry of health, food and drugs board (FDA), Government of Ghana (GOG).

1.0 INTRODUCTION:

Decentralization in health service is defined us the transfer of decision making power and assignment of accountability and responsibility for results. It is accompanied by delegation of commensurate authority to individuals or units at all levels of an organization even those far removed from headquarters or other centers power.

2.0 DISCUSSIONS:

Definitions and descriptions of decentralization used in the papers include:

Decentralisation is usually referred to as the transfer of powers from central government to lower levels in a political-administrative and territorial hierarchy (Crook and Manor 1998, Agrawal and Ribot 1999).

This official power transfer can take two main forms. Administrative decentralisation, also known as deconcentration which refers to a transfer to lower-level central government authorities, or to other local authorities who are upwardly accountable to the central government (Ribot 2002). In contrast, political, or democratic, decentralisation refers to the transfer of authority to representative and downwardly accountable actors, such as elected local governments (Larson). Definitions of the different types of decentralization vary and the same terms are sometimes used in inconsistent ways in the literature on the subject. The paper by Gregersen, Contreras-Hermosilla, White and Phillips adopts the following definitions: Political decentralization: Groups at different levels of government–central.

2.1 Administrative decentralization:

Different levels of government administer resources and matters that have been delegated to them, generally through a constitution. In terms of decentralization as a process of change, and according to the level of transfer of responsibilities, it is useful to distinguish between deconcentration, delegation and devolution.

In this case, previously concentrated powers to tax and generate revenues are dispersed to other levels of government, e.g., local governments are given the power to raise and retain financial resources to fulfil their responsibilities.

2.2 Deconcentration is the term referring to:

The process by which the agents of central government control are relocated and geographically dispersed (Sayer et al.). Administative decentralization, i.e. a transfer to lower-level central government authorities, or to other local authorities who are upwardly accountable to the central government (Ribot 2002 in Larson).

The transfer of administrative responsibility for specified functions to lower levels within the central government bureaucracy, generally on some spatial basis (Ferguson and Chandrasken).

In health service decentralisation, authority and responsibility are transferred to organisations not directly the ministry of health, examples is non governmental organisations in health like global fund, world vision etc.

2.3 Devolution refers to:

The transfer of 'natural resource management to local individuals and institutions located within and outside of government' (Edmunds et al. 2003:1), though some people use 'devolution' only in reference to direct community transfers (Larson).

The transfer of rights and assets from the centre to local governments or communities. All of these processes occur within the context of national laws that set the limits within which any decentralised or devolved forest management occurs" (Saye et al). In devolution, some of the planning and financing functions are shifted to lower levels in the system.

Delegation is a more extensive form of decentralization. Through delegation central governments transfer responsibility for decision-making and administration of public functions to semi-autonomous organizations not wholly controlled by the central government, but ultimately accountable to it. Governments delegate responsibilities when they create public enterprises or corporations, housing authorities, transportation authorities, special service districts, semi-autonomous school districts, regional development corporations, or special project implementation units. Usually these organizations have a great deal of discretion in decision-making. They may be exempt from constraints on regular civil service personnel and may be able to charge users directives.

2.4 Privatization:

On the other hand, privatization involves transfer of resources and decision-making from public sector to the private sector.

2.5 Civil Service Reform and Decentralization

Civil service reform is usually a supporting strategy for more general decentralization in government operations or service delivery. One does not decentralize the civil service as an end in itself -- one does so in order to provide services better, manage resources more efficiently, or support other general outcome goals. The civil service as a whole can be seen as one of the main instruments with which the government fulfills its obligations. In the context of decentralization, this tool must often be reshaped in order to perform a new set of duties efficiently, equitably, and effectively. Reform of the civil service, therefore, is the process of modifying rules and incentives to obtain a more efficient, dedicated and performing government labor-force in newly decentralized environment.

2.6 How Does Decentralization Affect the Civil Service?

Civil services at all levels of government need a capable, motivated, and efficient staff in order to deliver quality services to its citizens. When civil service functions and structures are decentralized, existing bureaucratic

patterns must be reorganized as roles and accountability are shifted. Decentralization thus intensifies the need for capable staff and increases the importance of capacity-building programs.

2.6 Building Local Capacity

Local (or at least sub-national) capacity is one of the most important factors creating a well-functioning decentralized civil service. In countries where local institutions already exist, the challenge will be to reinforce them institutionally and legally as well as to strengthen their personnel management capacities. In places where local government institutions are embryonic or exist only at an informal level, the institutional and legal framework will have to be created before any type of reform of the administration is undertaken.

The degree of local capacity determines the kind of human-resource management strategies that will be feasible and desirable. Decentralization of human resource management is more likely to succeed in cases where lower-level authorities have the financial and managerial ability to set competitive compensation packages and salary levels that will attract local talent. In these cases, the flexibility advantages of allowing local governments to set hiring levels might outweigh the risk of increasing inter-regional inequalities. Where talent and skills are lacking at the local level, a unitary hiring system might be preferred to ensure that the necessary skills are present locally in all regions. In these cases where the center retains more control over human resources, caution should be paid to ensure that the management options of local stake-holders are not curtailed.

3.0 ANALYSIS

3.1 Decentralisation in Health

This starts by assessing the effectiveness of health care delivery with equity, the prevalent legal and institutional frameworks, and approach to fiscal decentralization, mechanisms to ensure accountability and availability of capacity at various levels. Decision space analysis has been successful in describing and improving decentralized health systems and could be used for health care assessment.

Decentralisation in health is related to office, denotes and disperses of clinical services and activities. The necessity of decentralisation of health services occurs when official activities are performed at functional departmental level. Thus, decentralisation in relation to health care management may include departmentation of activities. When authority is dispersed from the head quarters to regional level and to the district level before it goes to individual health centers and hospitals, example is the dispersion from the Ghana health service and this makes decentralisation is prominent and active.

3.2 Decentralisation and Institutional Development

In the health sector, decentralization takes the form of delegation of authority to a number of autonomous agencies and to semi-autonomous Budget Management Centers' (BMC's). In 1996, the Ghana Health Service and Teaching Hospitals Acts gave autonomy to the Ghana Health Service and Teaching Hospitals. The aim of decentralization is to ensure equity, efficiency, quality and financial soundness (MOH 2007 POW).

Decentralization system combines centralized and decentralized components often in complex ways. For instance in Zambia, the Ministry of Health delegated operational authority to a Central Board of Health (CBOH) while retaining policy and regulatory authority for itself. Operational responsibility is further deconcentrated in regional Hospital Boards that can make decisions independently of the CBOH. (Bossert et al, 2000).

The Health Sector in Ghana has decentralized authority to the Service Organizations (Ghana Health Service and Teaching Hospitals) and the Regulatory Bodies (eg Food and Drug Board, Pharmacy Council, Narcotic Control Board etc). Each of these is a Budget Management Center (BMC). It could therefore be noticed that, the GHS and Teaching Hospital are vested with more central authority than the Zambian CBOH. In the same action above, in

Philippines, a wide range of policy implementation was devolved to local government authorities whiles the Medical Care Commission manages a National Medical Program and the Department of Health maintains national Public health policy functions.

3.3 Levels of Decentralisation Relating Hospitals Autonomy.

The Government of Ghana (GOG) official document, Medium Term Health Strategy:

Towards vision 2020 (Sept. 1995), states that "Teaching Hospitals will be managed as self-governing institutions. The objective is to ensure that managers have the autonomy to allocate resources as efficiently as possible and, at the same time, to ensure that hospital authorities are held accountable for performance of their institutions and the way resources are used (Ramesh et al, 1996). The need for decentralisation is felt when the health service grows in its size which necessitates diversification of other office activities. Decentralisation occurs at the time of decisions of routine nature but if decisions are vital, the authority is not decentralised. The technological development, political factors, availability of managers also affects the degree of decentralisation. Decentralisation does not exist in its pure sense. There is a mixture of the two because some activities are centralised and some are decentralised.

Autonomy is the quality or state of being self-governing, especially, the right or power of self-government and capable of existing independently (Ramesh et al, 1996). However, using such absolute criteria to define hospital autonomy might, in practice, leave us with a null set, as no hospital(s) in developing countries, particularly in the public sector, is completely self-governing or is totally independent; at least they are all subject to regulatory constraints in one form or the other. In other words, in practice, hospital autonomy may have to be defined in relative terms. Thus, for example, the term autonomous hospitals are used in the literature to refer to hospitals that are at least partially self-governing, self-directing, and self-financing (Ramesh et al, 1996).

The level of decentralization relating to hospital autonomy can be put into two dimensions: the extent of centralization of decision-making (extent of autonomy) and the range of policy and management decisions that are relevant to the hospital, including internal policy formulation and implementation. This means that, an autonomous hospital can exist under Government ownership and private ownership. It is the extent of decentralized decision-making that occurs within the hospital and the extent to which such decision-making is feasible for each of the management functions that are relevant considerations.

In Ghana, decision-making goes through various levels which come together to ensure efficient health sector. Policies and directives move from the National level through the Regional and District levels to the local Community levels. Resources allocated for the Health Care delivery flow through various levels both national and local governmental bodies before getting to the health facilities. There is legal and institutional frameworks to ensure monitoring, auditing and accounting mechanism to ensure that the intended used of the resource are adhered to.

4.0 FINDINGS

4.1 Sources of Funds to the Health Sector through Decentralisation

Financing the health sector in Ghana has undergone a substantial transition as a result of the 5 year POW and the Common Management Arrangement. This relate to the amount of resources channelled to the sector and the mechanisms by which funds are given to support the sector as well as how resources are allocated. The funding sources of the operations of the Health sector are Government of Ghana (GoG), Donor Fund and Internally Generated Fund (IGF)

The GoG covers Personnel Emoluments (item 1), Administration (item 2), Service (item 3) and Investment (item 4). The Donor Funds are donations given by the Bilateral and Multilateral institutions to the sector. The Internally

Generated Fund covers (Insurance holders and corporate prepayment). In the health sector, new forms of financing for the health care delivery may involve moving from tax based system to an insurance system due to the establishment of the National Health Insurance Scheme (NHIS). This has brought about new forms of budget management and control between insurance funds and health service providers as well as new systems of payments collection.

4.2 Managing Health Care Funds

The 1995 Medium Term Health Strategy (MTHS) and the subsequent Sector Wide Approach (SWAp) introduced a lot of improvement in the District health financial management system. The financial management reform that followed SWAp shifted management responsibilities to the District level and granted greater control over funds to local Managers. District Health Administrations (DHAs) in the country have, since 1999, been receiving and directly managing funds for non-salary recurrent expenditure under the BMC concept (Asante et al 2006 pp3).

According to Addae et tal (2001), in Ghana, the health policy environment was been characterized in the early 1980's by financial decentralization management development, strengthening of district health system and integrated approach to health delivery.

The financing of the Ghana Health Service is tied to the Medium Term Health Strategy and the 5year Programme of Work (5YPoW) and the Common Arrangement for the implementation of the Medium Term Programme (1997-2001) released in December 1996. Sources of funding are based on a combination of health funds, GOG and internally generated funds (IGF) (Addae et al 2001).

The management of Health Care Delivery has continuously been going through experimental approaches all in an attempt to find suitable way of providing the best of care at least cost. The economic and various experiments eventually gave rise to the promulgation of the Ghana Health Service and Teaching Hospitals Act of 1996(Act 525). The Act gave Tertiary Health Services an adequate level of institutional autonomy as Budget and Management Centres. To ensure adequate efficiency, Sub-BMC was created within the tertiary institutions in 1998.

4.3 Dencentarlisation of Health Care and its Human Resource

Human resource in health care can be defined as the clinical and non clinical staff in charge of public and individual health intervention. The human resources are therefore the stock of all individuals engaged in the promotion, protection or improvement of the health of the population (POW 2007). The most important of the health system inputs, the performance that can be recorded depend largely on the knowledge, skills and motivation of those individuals responsible for delivering health services. The human resource function contributes to making strategic choices about the health care that are essential for developing a national health sector. The (1990) World Health Organization Study group on coordinated health and human resource development emphasized that human resource have no meaning in isolation but are an instrument for delivering necessary health care.

Decentralization of the health system combined with the Civil Service reform is increasingly prevalent component of the health sector reform. It is however, regrettable that, the implications of decentralization for human resource development in the health sector are mostly neglected. The human resource are the most important component of the health care system in converting available pharmaceutical, medical technology and preventive health information into better health for a nation (kolehmaenin 1998).

Human resource training of health workers take a long time and involve a lot of financial resources. In Ghana, salaries and benefits consume up to three-quarters of the recurrent health budget (POW, 2008). Due to this, human resource issues should command a great deal of attention in any decentralization discussion. The implication of Decentralization for human resources for Health Care Delivery are greatly influenced by numerous

factors; the extent of which political and administrative power is transferred, how the new roles are defined, what skills are available at the local level and what administrative linkages exist between the different management levels and between the Ministry of Health. Human resource and decentralization are closely linked. The ideas of decentralization mostly arise outside the health sector. Local needs are the main issues in many countries that decentralized substantial control over health service to local government.

The most important human resource issues that come up as a result of transfer of power to lower management level are; the adequacy of available information on human resources, the complexity of transferring staff, the impact of professional associations, unions and registration bodies as well as the morale and motivation of health workers (kolemaenin 1998).

4.3 The Influence of Professional Bodies, Associations and Groups

Health staff Associations, unions and registration bodies are very powerful force in the design and implementation of decentralized management structures and jobs. According to Kolehmainen (1998), the issue of labour relations is very much at the forefront in South Africa, where the disparity in conditions of employment between local government, staff and employees of provincial Health Department is a critical issue facing the government in its efforts to institute a unified District based health system that provides care in an equitable manner to all South Africans.

4.4 Morale and Motivation of Health Staff

Motivation and morale of health workers are very crucial for the success of decentralization as new structures, roles and responsibilities are defined and staff transfers implemented. A successful decentralization requires that, the new organizationational structures, roles and responsibilities clearly defined, form a functional whole and be acceptable to the health staff. Kolehmainen(1998), revealed that, a review of decentralization in ten(10) Countries demonstrated that, this area is one of the most problematic for human resources. In the first place, there is unclear definition of organizational structures, roles and responsibilities. Again, roles and responsibilities may conflict with each other. Moreover, the organizational structures and allocation of roles and responsibilities may be disputed.

5.0 RESULTS:

A decentralised organisation suffers from the following disadvantages:

1. More cost; Decentralisation is costly because it encourages duplication of functions and equipments. As it is costly, it cannot be adopted by small organisations.
2. No specialisation; Specialisation suffers in decentralisation because everyone becomes jack-of-all-trades but master of none. So specialisation is affected.
3. Need more specialists; in decentralisation more specialists are needed. The services of specialists are not utilised effectively and efficiently, as they are large in numbers.
4. No uniform action; It becomes difficult to maintain uniformity in action because routine and methods differ from organisation to organisation and department to department.
5. No equitable distribution of work; It becomes difficult to distribute workload equitably among different employees

6.0 RECOMMENDATION

Advantages of Decentralisation in Health Care

1. Distribution of burden of top executive; Decentralisation enables to its executive to share his burden with others at lower levels because here authority is delegated. The top executive is relieved of some burden and concentrates his activities to think for the future of the organisation.

2. Increased motivation and morale; the morality of the employees are increased because of delegation of authority. Decentralisation helps to increase employee’s morale because it involves delegation. The employees are motivated to work.

3. Greater efficiency and output; Decentralisation gives emphasis on care, caution and enthusiastic approach to the work which in turn results in increased efficiency and output. This is possible because it involves delegation of authority and responsibility.

4. Diversification of Activities; Decentralisation helps in diversification of activities. It crests more employment opportunities because new managers are to be entrusted with new assignments.

5. Better Co-ordination; The various operations and activities are co-ordinated in a decentralised set up.

6. Maintenance of Secrecy; Decentralisation enables to maintain secrecy without much cost and unnecessary trouble.

7. Facilitate effective control and quick decision; Decentralisation enables to measure the work according to standard easily and quickly. This facilitate taking up quick decision.

7.0 SUMMARY:

In fact, decentralization is an effective way of managing health care delivery which is inherently heterogeneous in nature and affected by demographic and societal changes. It enables managers at middle level and the base to take stringent decisions as early and practicable to solve urgent needs before the worse occurs. It simplifies health economy and budget and proper accountability and auditing could be done as compared to authority and power been centralized.

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