

CHAPTER 1. INTRODUCTION

1.1 Purpose Of The Study

This study is an organisational diagnostic exercise using an adapted approach of soft systems methodology (SSM), to explore the complex organisation of a private healthcare facility and propose possible interventions that will lead to system improvements.

Organisational Diagnostics is an art and a science of studying the internal workings of an organisation and how it relates to the larger society around it. The recent literature presents the discipline as one that will in time become an essential part of organisational work culture and development (Cummings & Worley, (2001)⁷, to provide it with a better grasp of the impact of changes in economy, workforce composition, technology and organisational needs.

Soft System Methodology, (SSM), was developed by Peter Checkland (1999)⁴, to present a way of thinking that guides problem owners towards purposeful action. Problem owners are stakeholders who usually have different interests in the outcomes of the system. SSM has an interactive dimension and allows the person facilitating the stakeholders to observe and to intervene.

Checkland (1994) designed SSM to accommodate broad organisational applications or deal with complex problem situations. These situations may be dealt with as systems that have come about through negotiations with people who are the problem owners or who have the power to change the situation. Hence groups of players who have a vested interest in the outcome of the problem situation may be the active change agents. Human activity, behaviour and interaction are all factors that may be reconstructed to produce more desirable outcomes. In the adapted SSM approach developed by Mohd Yusof, Omar, that is being used in this study, the techniques of SSM are used in a

diagnostic capacity, without the involvement of the key individuals being the subject of the study. This is done using the methods of action research and participant observation, based on the foundation of the researcher's close contact with the subjects for over 9 years.

The final objective of the SSM approach is to enable an improvement of the social conditions in a non – prescriptive way. Learning must be cyclical and reflective in nature. SSM is interpretative, based on multiple valid and valued perspectives, interpretation, and communication and understanding where there is NO one right way of achieving improvement, (Travis & Venable, 1999)²⁸.

The development of organizations, their complexity and their inner dynamics have been viewed as appendices to the more documented work of scientific management systems, production & operational methods and time studies linked to productivity. When an organization is focused on improvements – its Board of Directors and business planners will firstly look at its systems and production flows – rather than on the inner workings of why and how individuals and groups within the organisation affect the total output. The reason for this is fairly simple. It is easier to justify expense costs on a concrete system improvement initiative, rather than on a somewhat touchy-feely approach on what makes people and their systems tick.

The purpose of this study is to attempt to link the two approaches, i.e., as follows:

1. Firstly, using soft systems methodology to uncover the real world picture. This is done by a series of assessments on actor systems, organisational dissipative elements and self-actuation diagnostics culminating in an overall assessment of the state of the organisation. The assessment tools developed by Mohd Yusof, Omar are founded on the text of Maurice Yolles on "*Management Systems*" (1999)³⁰, and

in Mohd. Yusof, Omar (2001)¹⁹, *Calibrating the Organisation's Climate and Attitude towards Change*

Secondly, this was followed by a six-level diagnostic on the organisation, group and individual founded on Mohd Yusof, Omar (2001), *Six-level Organisational Diagnostics*²⁰.

2. Moving on to a systems view, this is then followed by an examination of the system that is in place in the organisation, its quality management system and its operating practices, comparing them against the ISO 2000 Guidelines²⁴.

3. Finally, using intervention strategies as proposed by Cummings & Worley (2001), the study goes on to integrate the real world picture and the systems thinking into a holistic organisational framework that will take into account the various elements discussed. This strategy will then be documented into an implementation plan that the organisation could, if it wished to, use to revamp its approach to quality system implementation.

1.2 Significance Of The Study

The organisation selected for this study is a leading private medical healthcare facility that has already won significant recognition for its quality management systems (ref to Appendix II). In the face of a rapidly expanding private healthcare network in Malaysia, it is worthy of notice that such an organisation has achieved international recognition and standing. However, as it is poised for its next level of growth, its capacity to maintain its position as an industry leader is being tested.

This study seeks to review the current position of this healthcare facility and how prepared it is for the challenges ahead. The lessons learnt would be of use both to the organisation concerned, as well as to industry professionals who seek to build a strong, dynamic healthcare industry both in the public as well as private healthcare sectors.

1.3 The Research Question

An organisation that has won 3 quality awards at national, as well as, international level would ostensibly have a well-developed quality management system incorporating the necessary feedback elements and management for continuous quality improvement. Keeping in mind the working definition of quality as that which is consistently and predictably meeting set standards of measure, such an organisation, would have well documented systems and audits to verify that the quality standards are being maintained.

Subang Jaya Medical Centre (SJMC), has won the Quality Management Excellence Award in 1997, the Prime Minister's Quality Award in 1998 and the Asia Pacific Quality Award in 2000 (ref to Appendix II for further details). It has become a model for quality management within the Sime Darby Group, and its Quality Administrator has been called upon to share its methodology with other

companies within the Group as part of the overall Group initiative to promote quality practices within the conglomerate.

Despite the tightened economic situation, the private healthcare industry is growing in Malaysia. In early 1997 more than 15 new private healthcare facilities were targeted to open in peninsular Malaysia, and the bulk of these in the Klang Valley. (A list of the current operating private healthcare facilities is provided in Appendix II.) Due to the economic crash in 1997, some of these facilities had delayed their plans – but the major players have moved on ahead, albeit, with a more gradual growth curve than formerly envisaged.

As healthcare is a highly capital intensive industry, the main players all have the backing of large corporate group entities and budgets – and in some cases, are an even match for SJMC which is backed by the Sime Darby Group. The fact that the smaller players have either sold out – or are on hold, has cleared the market somewhat such that the competition now lies between the larger facilities like Pantai, Gleneagles Intan, Ampang Putri, Subang Jaya Medical Centre, Assunta and Sunway Medical Centre.

With this as a background, the research question being considered is the viability of the SJMC management system given the growing competition and challenges it faces in maintaining its leading position in private healthcare. The style of management adopted by its senior management team will be reviewed in this study and assessed for its robustness and ability to cope with new demands and competition.

The propositions that will be examined in this paper are framed against the diagnostic measures that will be used to study the internal systems and dynamics of the organisation.

1.4 Scope Of The Study

The study will focus on the senior management team of SJMC comprising the Executive and Divisional Directors and the Administrative Group, a total of 15 individuals. Corroborative evidence has also be obtained from in-depth interviews of middle managers from the organisation itself, as well as, contacts in the industry who have had long association with the organisation and its management team.

Both evaluative assessments and participant observation were used as the main research method – due to the close ties of the researcher with the organisation. The issue of privileged access will be further discussed in this chapter and in the analysis.

1.5 Limitations Of The Study

As the study is focused on one particular organisation, and, on the workings of the management team, it may not be possible to make a generalisation to all hospitals. A key point to note is that the very nature of the complexity of healthcare organisations, (Case: Morgan Hospital, 1977)³, Denis, Lamothe & Langley (2001)⁸ may make it difficult to find one to one comparisons in a general overview.

However, in the matter of organisational complexity and the dynamics of organisational growth and development, this study may add to a growing body of knowledge that gives credence to the way human elements affect organisational development and change – to the extent that effective strategies must take into account preferred behaviours, paradigms and dynamics of key decision makers.

1.6 Organisation Of The Study

In Chapter 1, the outline of the study, its context, research questions, limitations and scope is discussed. Chapter 2 will present the Literature Review pertaining to the key issues that will be discussed in the course of the study.

The Research Methodology is outlined in Chapter 3, detailing the research propositions with an emphasis on the use of the evaluative methods designed by Dr Mohd Yusof Omar.

Chapter 4 will present the research results with summary statistics of the evaluations conducted, and analysis of the measures and the verification of the research propositions. A summary of the research results is provided in the Appendix.

The recommended interventions for action and conclusion are presented in Chapter 5.