

CHAPTER 1

INTRODUCTION

1.1. Purpose and Significance of the Study

As Malaysia moves ahead into an industrialized economy, individual households are becoming more and more self-sufficient. Service activities such as banking, transportation and medical are absolutely necessary for the economy to function and to enhance the quality of life. A wide variety of personal services such as restaurants, cleaning and child care are increasing in demand as these former household function move into the economy. Not only do these basic services for living become basics of every day living, both government and private services are critical for any nation's economy to survive and its people to prosper.

Healthcare is at the core of our social welfare, it is a product of government policies and private rules. In the recent years, the healthcare industry in Malaysia has revolved from just a provider of medical solutions

and treatments to hosting a multitude of services ranging from critical patient care to mental healthcare and subsequently to a more customer-centric health system. As healthcare consumers (i.e. the patients, their families and friends) becoming increasingly aware of the differences in the availability, the strengths and the consequences of medical interventions, they also become aware of their choices, rights and demands in the healthcare industry. No longer are healthcare consumers satisfied with being treated just for their ailments. No longer do they expect to wait hours on end to see a practicing medical officer. Nor would they just allow their physician to say, "It's in God's hands now".

With consumerism on the rise, many healthcare organizations (both private and government) are responding to higher patient expectations and demands. What are healthcare consumers looking for? More information, great clinical outcomes, courtesy and compassion, value for money and a more personal touch. In short, they want to trust their healthcare providers to not only do the thing right, but also to do the right thing. For example, a compassionate nurse takes an extra moment to sit and chat with a dying patient after all clinical options have been exhausted, will earn the trust and respect of family members and friends.

Hence, healthcare organizations that consistently put their patients first, not only enjoy higher patient satisfaction, bigger market share and higher reference ratings but also fewer malpractice claims, fewer patient complaints and lower staff turnover. These organizations are guided by a culture of excellence leading to better financial performance and long-term consumer satisfaction.

However, the dilemma occurs for healthcare managers, how can healthcare organizations maintain consumer satisfaction, acquire new medical equipment and technology as well as sustain a culture of excellence while considering economic factors? Investment costs are shifted to consumers. As they become more selective about the healthcare providers which they choose for their care, they pay more of the cost of their pocket for better healthcare and services. This brings about two tough imperatives for healthcare managers which are reducing costs of service and attracting and retaining highly dedicated and competent patient care and support employees. Would there be a trade-off and a balance between the two? Or are there organizational practices that can fulfill both the objectives simultaneously? (Harmon et al 2003).

1.2. Research Question

This research sought to look into the effects of employee satisfaction and its relationship with high-involvement work systems (HIWS) which consists of inter-related core competencies such as work involvement, empowerment, development, teamwork and performance-based rewards in hospitals and medical centers in Malaysia. The specific research question was, "Does HIWS lead to employee satisfaction in 10 healthcare centers throughout Malaysia?"

1.3. Scope of the Study

The study is based on a similar research done by Harmon et al, 2003 in the United States where 146 Veterans Health Administration Centres were evaluated over a 5 year period. Harmon et al, 2003 also studied service costs in relation to HIWS and employee satisfaction. In Malaysia, there is little empirical data on such work design concepts as the such systems are still relatively new in all industries, even more so in healthcare. Thus, by extending the study to selected healthcare centers throughout Malaysia, I was able to generate an overview of the healthcare system in Malaysia with regards to its current policies and work systems in Malaysia

both private and government institutions. The original study was extensive and wide-spread. As an initial effort here in Malaysia, I have considered factors such as time, participants and costs to provide a big picture of the two focuses: HIWS and employee satisfaction.