

CONTEMPLATING A CHALLENGING FUTURE: A PUBLIC MANAGEMENT APPROACH TO HEALTH SERVICES

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Abstract

A varying proportion of health services in all societies is delivered by public sector institutions. Managing these public sector service institutions for performance represents a major management challenge.

This management challenge is amplified for South Africa as a country which is contemplating major changes while being simultaneously confronted with having to cope with problematic results of the past and the challenges of development.

In this article a public management model is used to analyse relevant health trends and provisional management strategies are provided to assist health managers to cope with these challenges. Finally a checklist for personal survival is presented for personal evaluation and future planning.

Uittreksel

'n Wisselende gedeelte van gesondheidsdienste in alle samelewings word deur openbare sektorinstellings verskaf. Die bestuur van hierdie openbare sektor diensinstellings vir prestasie verteenwoordig 'n baie belangrike bestuursuitdaging.

Hierdie bestuursuitdaging word verder versterk vir Suid-Afrika as 'n land wat makro-veranderings tegemoet gaan. Hierdie verandering vind plaas terwyl Suid-Afrika terselfdertyd gekonfronteer word met probleme vanuit die verlede en die uitdagings van ontwikkeling.

In hierdie artikel word 'n model, die openbare bestuursmodel, gebruik om die relevante gesondheidstendense te ontleed en voorlopige bestuurstrategie word verskaf om gesondheidsbestuurders by te staan om die uitdagings die hoof te bied. Aan die einde word 'n merklys vir persoonlike oorlewing aangebied vir persoonlike evaluering en toekomsbeplanning.

political scenario - the involvement of public service institutions in health service provision will increase rather than decrease. This will amplify the already important need to address not only the clinical aspects of health services provision but also the management of public health services.

The goal of this paper is to provide a number of provisional insights into issues regarding a public management approach to health services in South Africa. To reach this goal the following objectives have been identified which will receive attention in the paper:

- * a brief exposition will be given of the public management model;
- * the health management challenge in South Africa will be contextualised in terms of an analysis of trends in the general and specific environment;
- * provisional public management strategies regarding the functions and skills of the public manager and useful techniques for the public manager will receive attention;
- * a personal survival checklist for the future public manager will be presented;
- * a summary and conclusion is provided.

The major part of the paper is based upon the work **Public Management** by Fox, Schwella and Wissink (1990). Other references are provided where applicable.

INTRODUCTION

Health Services are typically delivered by service institutions in modern societies. These service institutions are important actors on the socio-economic and political terrains of any state and society. As such their management is of primary importance to society. Peter Drucker (1977:131) emphasises this point where he states: "Managing the service institutions for performance will increasingly be seen as the central managerial challenge of a developed society and its greatest managerial need."

This real need for managing service institutions for performance is even more complex when these service institutions are situated within the public sector of the economy and the politicised context of the executive institutions of the state.

A varying proportion of health services in all societies is delivered through service institutions and especially through public service institutions. In the South African case it is indicated that public service institutions will retain a major role in health services provision. It is also probable that - depending on the scope and nature of change in the South African

THE PUBLIC MANAGEMENT MODEL

A basic assumption of the public management model is that the challenges facing the public manager necessitate a distinctive public management approach.

With this point in mind a descriptive model of public management is provided. This model is illustrated in Figure 1.

This model will be utilised for the purposes of further discussion. The exposition of the health

management challenge in South Africa will be contextualised in terms of environmental trends in accordance with the model in the next section.

THE HEALTH MANAGEMENT CHALLENGE

The central health management challenge in South Africa is represented by the need to reconcile the health needs (demand) of all South Africa's citizens with the available health resources (supply) given the particular socio-economic and political climate prevailing in South Africa.

An important corollary to this challenge particularly relevant to public health services is the vexing question of the respective roles of public and private sector health institutions in health service provision. This involves macro-policy decisions which are highly politicised and relates to the central political and economic debates in South Africa to-day.

Finally, the internal efficiency of the systems of health service provision is important as these micro-management aspects will determine what will be attained within the obvious situation of scarce resources for South African health services.

For present purposes analysis focuses on some of the more important trends in the general and specific environments.

The General Environment

Statistics regarding South Africa's demographic situation are well known. It therefore suffices to summarise by pointing out that South Africa's population is expected to increase from 33,2 million in 1985 to 47,2 million by 2000 and to 70,8 million by 2020. (Business Futures 1990:61). This represents a doubling of the population within a period of merely 25 years. It is also of interest to note that of the estimated 1990 population of 37,4 million 76% is black, 13% is white, 8% is coloured and 3% is Asian¹. Whereas whites made up 20% of the population during the late 1950's their relative proportion is expected to decrease to 11% by 2000 (Business Futures 1990:76).

When the age structure of the South African population is considered it is significant that the majority of the population is a "young" population. This is analagous to other developing regions of the world. It is expected that by the year 2020 the black population below 15 years of age will number more than 23 million or approximately 62% of the current total population of South Africa (Business Futures 1990:85).

In respect of urbanisation it is noteworthy that South Africa's urban population is also on the brink of major increase. According to Business Futures (1990:98) the urban population is expected to increase from an urbanised population of roughly 15,2 million in 1980 to

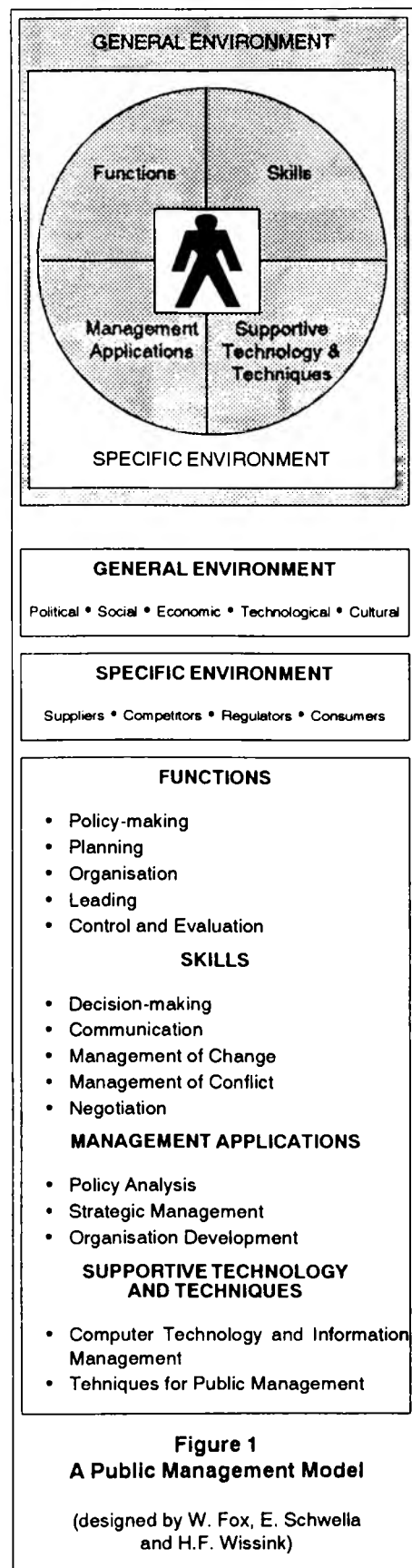
approximately 33,5 million in 2000, 44,7 million by the year 2010 and 56,9 million by 2020. It is expected that on average 956 000 people will urbanise per year over the next 20 years.

When these trends regarding the social environment are considered in context with trends in the economic environment such as extreme poverty, a highly skewed distribution of income and serious backlogs in the provision of basic infrastructural services, the challenges regarding health service provision are daunting.

Some of the more important health trends impacting upon the public health management challenge can be summarised from Business Futures (1990:110-111). It is accepted that there is a correlation between disease patterns and levels of socio-economic development. Wilson and Ramphela (1989:10-12) quote reliable studies where it was found that approximately a third of black, coloured and Asian children below the age of 14 years are underweight and stunted for their age. This indicates widespread malnutrition. The IMR (Infant Mortality Rate) measuring the number of children dying before their first birthday out of every thousand children born alive is regarded as a measure of health conditions and general economic conditions. African children in South Africa are eight to ten times more likely to die before their first birthday than are white children. For coloured children the risk is four times greater. South Africa's IMR, averaging between 94 and 124 over the period 1981-1985, was considerably worse than the national average in Botswana (72), Zimbabwe and Kenya (76), Congo (77), Tunisia (78), Algeria (81) and Zambia (84). It was rated in the order of 12 other African countries including Morocco (90) and Burundi (119).

Business Futures (1990:110) states that trends in infectious diseases for all population groups declined between 1970 and 1985. Since 1985 the IMR (also for whites) and rates of tuberculosis notification have risen again. This may be associated with deteriorating socio-economic conditions in South Africa.

According to Business Futures (1990:110) the impact of AIDS is still debated, but conservative estimates estimate a possible death rate of 2,5 million people from AIDS by the year 2000. If even minimum health care is provided this will put severe strains on health services provision. If present per capita cost per AIDS patient is extrapolated to 2,5 million possible future patients it would require three times South Africa's entire Gross Domestic Product (GDP). The present percentage of GDP spent on health services provision is approximately 2,8%.



¹ The use of this breakdown is merely for illustrative purposes and does not imply agreement with the policy or practice to officially or otherwise classify people.

This alarming but by no means complete picture of the social environment for health service provision in South Africa translates into a daunting health management challenge. This challenge is amplified by trends in the economic and political environment as part of the general environment.

Economics and the economic environment influence the supply side of resources to meet demands on the demand side.

In respect of the supply of resources in South Africa the popular belief has been that South Africa is a country richly endowed with natural resources. Van Wyk (1988:255-261) sounds a sobering note in this regard where he argues that these resources are not as plentiful as the popular perception holds and that the resources increasingly are coming under pressure through the exploitation of non-renewable mineral deposits and technological substitution.

In regard to one of the basic life supporting systems Van Wyk (1988:256-257) describes a number of constraints. South Africa is an arid region with an average rainfall of 500 mm per annum compared to the world average of 1 000 mm per annum. The per capita availability of water in South Africa is just over 1 000 cubic meters per annum as opposed to 6 000 cubic meters for the world as a whole. South Africa is subject to periodic droughts that create havoc for agricultural production. It is a well known fact that climatological borders are changing and that arid and semi-arid zones are expanding at a rate of 1 000 meters per annum. This Karoo penetration in conjunction with soil erosion is consuming productive and habitable land at an alarming rate.

Many of the natural resources such as minerals in South Africa have been exploited over a long period and are becoming depleted fast or are so scarce that further extraction is no longer economically viable. Although minerals such as gold remain major contributors to South African economic growth, the combination of increasing costs of extraction and a decreasing gold price has made a number of former high earning gold mines non-profitable and some can now survive only through government intervention and subsidy.

South Africa's natural commodity exports are threatened by technological substitution. The knowledge and technology component of products are increasing at the expense of the material component. South Africa, however suffers from a lack of technically skilled workers who are capable of coping with the higher demands of technology. At the same time there is a huge oversupply of unskilled labour which leads to serious problems regarding job creation and unemployment exacerbating economic problems on the supply and demand side.

The present plight of the South African economy may be summarised by referring to some of the most important economic indicators.

Economic growth for South Africa is expressed in terms of growth in real Gross Domestic Product or GDP. The South African GDP dropped from a high of 6,13% between 1960 - 1965 to a low of 1,26% between 1980 - 1985 and a slightly improved 2,10% for the period 1985 - 1989 (Business Futures 1990:584). It is alleged that South African GDP experienced negative growth rates in recent years which implies that the economy actually shrunk in productive capacity. This dismal growth pattern is all the more serious if the high population growth rate is considered and one of the results of this is a growing unemployment rate in South Africa. It is conservatively estimated that unemployment in South Africa is between 8% - 11% of the economically active population. Employment figures in the formal economic sector are alarming and Business Futures (1988:202) states that during 1988, 41% of the economically active population was not involved in the formal economy.

South Africa's inflation rate as measured by the Consumer Price Index (CPI) has for many years been in excess of 10% and is currently approximately 15% according to official figures. This holds grave implications for South Africa's international competitiveness and for living standards nationally. The buying power of the rand is steadily eroded by inflation and by the declining value of the rand against international currencies.

All in all the economic picture is gloomy. Scarce resources are going to become even scarcer. From a health service perspective, demands are expected to increase while supply is expected to decline. The implications for the public health management challenge are obvious.

A final and brief view has to be given about politics as a very important part of the general environment. Many of the demands made upon the economy and especially the public sector and public health service delivery systems are mediated through the political process. In the past the policy of apartheid ignored or suppressed many justified and legitimate demands of large segments of the South African population leading to biased and discriminatory policies. These policies in turn created serious backlogs and unjustifiable differences in quality of public services delivered along racial lines. Irrespective of the outcome of political negotiations, any future government will have to address these deficiencies if it is to gain and retain legitimacy and political support to hold power. The necessary implication of this is that differential spending and service provision patterns will have to disappear. I am personally of the opinion that the role of public health services delivery systems will increase under

any government which is elected by and accountable to the total South African population.

It seems clear, given the trends in the general social, economic and political environment that the management of public health services present interesting challenges for the future. These general trends are specifically manifested through the specific environment. In the next section some trends regarding the specific environment which have been observed are discussed.

The Specific Environment

The specific environment, for the purposes of the public management model, is conceptualised in terms of regulators, suppliers, consumers and competitors. The components of the specific environment are concrete manifestation of general environmental forces, and may be seen as the set of organisations, groups and influential individuals with which the organisations have relations. Each of these units constitute a concrete force with which the organisation must reckon, particularly if there is dependency involved (Brown and Moberg 1980:45). The public health service delivery system therefore must analyse forces that impinge upon it from the specific environment. A detailed analysis of this is not possible within the scope of this discussion. A few general observations regarding some influences suffice for present purposes.

In respect of regulators, it is clear that the composition of the important regulatory bodies will change dramatically with concomitant changes in terms of policies and emphasis. The new regulatory bodies will have to be more representative of the total south African population and their emphasis will be on equity in service provision. Non-discrimination in terms of equal opportunities are likely to be linked to programmes of affirmative action in service provision as well as personnel provision and utilisation. The reaching of such objectives will be mandatory and controlled by regulators.

A highly visible present trend is the granting to public health service institutions greater "framework autonomy" and management autonomy. This is ostensibly a strategy to deregulate the management of health service institutions such as academic hospitals. In principle this may be a fine concept, but if it is linked to drastic cuts in terms of the availability of financial and human resources it really means very little by means of deregulation; it succeeds merely in a shift in the method of regulation from bureaucratic to economic means.

The above points lead to the supplier's component of the specific environment. Suppliers produce, mobilise and allocate various kinds of scarce resources to organisations. The general problem regarding

the scarcity of resources has been discussed under the economic environment. The typical client groups for the public health services are by and large those people who are in the worst position regarding ability to pay for health care. This situation probably will worsen in the future and the percentage of resources obtained through service charges and/or user contributions will decrease. The result of this is that political decision-makers will have to use public resources through a process of taxation and re-allocation to provide for public health care. The priority that this will receive in the national budget may be influenced by the political composition of bodies making supply decisions. Even if future policy makers are sensitive to demands for more resources made by the needy users of public health services, such health demands must compete with other priorities in a severely constrained national budget.

The composition and needs of consumers of public health services are sure to change. Demographic and epidemiological profiles indicate that the pressure on public health services will increase dramatically. The demand for these services will rise and the priority of needs as well as the way they will be mediated through the political process points to a shift to primary health care and preventative services. This has serious implications for high technology curative health services and expensive tertiary health education. The consumer profile will change with concomitant changes in the management of public health management delivery systems.

Although it may seem unlikely that a system facing the management challenges of the South African public health system would have competitors, there are at least two forms of competition that may be contemplated. The first competitive situation is concerned with the diversity of the health and related professions. The past drift towards over-professionalisation and the jealous guarding of monopolistic practices through forms of professional job reservation will come under scrutiny. Increased pressure will be exerted to allow a team approach to health service provision as well as to allow all health service workers to practice procedures previously reserved for the select few. An interesting trend illustrating this is the permission that medical pathology technologists have obtained to set up independent practices.

Another group of competitors may come from the fields of traditional and alternative health care systems. It suffices to state that South African conditions create many opportunities for these fields of health care to operate. These competitors (if they are seen as such) will have to be considered.

This provisional and speculative perusal of some trends within the specific environment of the South African public health delivery system

confirms conclusions regarding the public management challenges to which previous reference has been made.

In the next sections some strategies regarding the functions, skills and techniques of public management are presented. It is argued, however, that mere technical efficiency as public managers may be a necessary but not a sufficient condition to handle this challenge. The emphasis the public management model places on relevance in terms of the environment is an indication that mere technical management capabilities will not carry the day alone.

PROVISIONAL PUBLIC MANAGEMENT STRATEGIES

The emphasis the public management model places on public management functions, skills and techniques does not propagate a value free public management science. Management approaches, functions and skills are only important to the extent that they are relevant and legitimate within the context of the environment of service delivery systems. They have to contribute to the philosophical ideals of the "good society" and "democratic and legitimate government". For this reason the model emphasises the political, moral and ethical environment of public management where the ideal is to link public management to the public interest. The democratic nature of the process of public management is emphasised to enhance participation and legitimacy. This is a necessary pre-condition for the economically efficient functioning of the system through professional public management.

An important corollary point is that issues in public health service provision systems cannot be addressed solely by improving the management of these systems, irrespective of which management model is utilised. This is why the public management model places a high premium on facilitating proper policies. These policies are primarily the function of political decision-making bodies. The public manager has to contribute the facilitation of applicable policies by providing visionary, professional and technical inputs into the policy-making process. Incorrect and inapplicable policies originating from political decisions made by political bodies cannot be saved by management attempts irrespective of the management model used.

With the above as background a provisional attempt is made to focus on possible public management strategies for health service provision systems. This is done in terms of the public management functions, skills and techniques identified in the public management model.

Strategies in respect of Public Management Functions

In respect of policy-making as a public management function it is necessary to include political variables into the policy enhancing its legitimacy. This necessitates a deliberate attempt to involve clients and employees as citizens in the process of policy-making through the creation of participative structures and requires commitment from public managers to democratic and participative decision-making. From their inception policies should consider economic variables to enhance their efficiency, economy and productivity. In this regard strategies should be introduced to allow officials as experts to provide inputs regarding the factual bases of policy and to assess policy applicability in terms of professional and technical criteria. The public manager should manage opportunities to enable the inclusion of all relevant inputs resulting in improved policy legitimacy and efficiency.

Planning as a public management function should take into account many of the intricate variables that influence planning in public sector settings.

A strategy to improve planning within such settings follows the steps of the planning process. The seven phases that may be used are:

- assessing the situation;
- establishing objectives;
- forecasting;
- determining alternative courses of action;
- evaluating and selecting alternatives;
- implementing selected plans and applying these to budgets, programmes and control measures;
- evaluating the progress of the plan in terms of the assessed needs, the stated objectives and the control standards set.

The challenge for the public manager is manage this planning process with the necessary political and economic inputs at the relevant stage.

Organisation is concerned with the setting of objectives, the division of labour, delegation of authority, co-ordination of activities and control measures to ensure that objectives are reached. As such, it is a microcosm of public management functions functioning at an intermediate level regarding the implementation of policy. Strategies for improved organisation require a proper analysis of relevant aspects of the general and specific environment. The appropriate approach has to be selected from various alternatives given the most important situational variables. This may result in different patterns of organisation for different situations depending on contingency

factors. Public managers involved in organising therefore have to be analytic and knowledgeable about organisational possibilities. One has to accept that public organisations are often not organised de novo but are organised within given parameters placing limitations on completely novel approaches. Furthermore existing organisational parameters are often not only the result of technical organisational realities but are influenced heavily by political considerations.

Leadership from a public management perspective has little to do with romantic visions of charismatic hero-type leaders. Leadership has to be related to the achievement of organisational goals and objectives. Leaders use their organisational authority to influence behaviour and actions of individuals and groups towards the achievement of organisational goals and actions. In this process leaders have to be knowledgeable about:

- * the nature of the goals and objectives;
- * the capabilities, competency, knowledge and skills of their subordinates; and
- * the nature of the tasks involved.

Given the relative position in respect of these variables leaders have to select the applicable leadership approach for given circumstances. This may imply a very democratic and participative style under some conditions and a much more individual and autonomous style under other circumstances. A general trend, given changing social conditions, is that leaders have to respect basic human rights and needs of their subordinates. Autocratic and commanding styles tend to create problems with employees of the present generation who come from social backgrounds incorporating liberal world-views.

Public management control and evaluation efforts must provide for external control by the people or citizens providing the political and financial resources for public services. It also has to provide internal control over the effective and efficient utilisation of these resources. External control involves important mechanisms to ensure democratic responsibility and public accountability. Public service delivery systems have to be subject to public scrutiny through mechanisms such as legislative bodies, the law courts, ombud institutions, state auditors and also the press. The notion of public accountability is often viewed as cumbersome and unnecessary interference by public managers. This is a dysfunctional attitude given the tenets of democratic government and administration. The strategy should rather be to allow for as much public scrutiny and participation as possible because this provides effective cauterising mechanisms to avoid corruption and maladministration.

Internal control measures have to be realistic in terms of their economy and applicability. They have to be as "unbureaucratic" as possible. Regulations merely for the sake of regulations are uneconomical, inefficient and frustrating. They tend to inhibit initiative and suppress motivation. Some general guidelines about strategies for internal control have to be considered. Robbins (1980:384) identifies six guidelines for an effective system of control and evaluation. These are:

- * timeousness;
- * flexibility;
- * efficiency;
- * simplicity and easy comprehension;
- * strategic placement;
- * capability to identify exceptions and deviations.

The traditional control mechanisms such as inspections, reports, statistical returns and auditing are still in place. New control mechanisms are being developed and include value for money or performance auditing, management by objectives, greater management autonomy linked to performance standards and programme evaluation. To the extent that these mechanisms could alleviate some of the dysfunctional consequences of traditional control mechanisms, they should be utilised. It should be realised however that these newer mechanisms must take the particular context of public management into account and will not prove to be the panacea they are sometimes held out to be.

Strategies in respect of Public Management Skills and Techniques

Public health services management often involves decision-making by groups of people including health professionals, health administrators and the community. For this reason strategies to enhance group decisions are valuable. Some of the techniques that could be used to improve group decisions are democratic participation, the nominal group technique, brainstorming, the delphi- technique and synectics. Synectics, for example, is a method by which problems are solved by attempting creatively to fit together different and seemingly irrelevant elements to form new solutions to problems. It recognizes that most problems are not new but that the challenge is to view the problem in a new way. Through this a basis for a new solution is established (Robbins 1980:81). All such techniques aim at useful and thorough involvement of people into groups for improved decision-making.

There are many factors that impede proper communication skills in public organisations. These include emotions, the filtering of information by senders, language factors such as jargon, different language groups and

selective perception. To improve communication techniques, simplifying language using feedback and the development of listening skills are important and necessary.

The public management functions and skills can be supported by public management applications such as policy analysis, strategic management and organisation development. These applications attempt to apply knowledge in a systematic way to policy, planning and organisational challenges. They provide very useful approaches to the handling of change in a systematic way but should be applied with sensitiveness in the public sector context.

Finally, numerous types of supportive technology and techniques are available to public managers. These include computer technology for information management and especially for management information systems.

Public managers of the future face tremendous challenges requiring a particular type of person and personal approach. In the next section an overview will be given of the necessary attitudes to cope with change and the future in public management. This is seen as a personal survival checklist for future public managers.

A PERSONAL SURVIVAL CHECKLIST

When the challenges of the future are considered as well as the challenges of new approaches to public management, it becomes clear that future public managers will have to adopt a set of new attitudes. These attitudes will reflect the rejection of the static, rigid and bureaucratic inclinations so often found in the past.

Caiden (1971:286) lists a number of attitudes that the public manager should take in future. He suggests that the public manager should become:

- * a crusading reformer intent on transforming some aspects of community life according to preconceived notions of the ideal society;
- * a pro-active policy formulator ready with possible strategies to meet the unknown;
- * a social change agent ready to accept new ideas and to lead others into accepting them;
- * a crisis manager who is slow to burn but quick to act and brilliant at immediate improvisation;
- * a dynamic programme manager able to shape new courses and adept at analysing activities;
- * a humanitarian employer treating personnel with respect and meting out balanced and equitable justice;

- * a political campaigner who is responsive to public needs and a champion of public causes;
- * a competent manager ensuring effective performance with minimum political embarrassment;
- * an interest broker choosing among competing interests and reconciling all parties to the outcome;
- * a public relations expert adept at building support to the advantage of the public;
- * a speedy decision-maker prepared to assume responsibility and to give clear instructions;
- * a constructive thinker not easily lead astray;
- * an optimistic leader not easily discouraged in adversity but able to command attention and stimulate subordinates.

To adopt these desirable postures a public manager will have to be critical of his own position and should be susceptible to change personally. This is logical as the public manager will not be able to escape change and rather should be inclined to manage for change. This includes a realistic self-assessment and, if necessary, a personal re-adjustment.

SUMMARY AND CONCLUSION

It is useful to focus on public health delivery systems by means of the public management model. In this process it is clear that the management of health services in South Africa will present enormous challenges in the future. These challenges necessitate new public management strategies in accordance with the needs presented by the challenges from the environment. Public health managers will have to adopt new and innovative approaches if they expect to survive the expected rapid changes. To excel they should enhance their public management knowledge and skills. This may be done, *inter alia*, by attending courses in public management such as those presented by the Stellenbosch School of Public Management and other institutions.

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