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Decentralization in health services and its impacts: SWOT Analysis of Current Applications in Turkey

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Abstract

Decentralization and its applications are important issues of the strategic management operations. Since new public management (NPM) and new public business approaches have transformed structure of the non-profit organizations, decentralization and managing non-profit organizations as they are profit organizations have taken place in the field. In Turkey, health organizations have been decentralized and being managed by sub-managerial parts. On the other hand, the trend for decentralization since World War II in health services recently changed its direction to re-centralization in some countries. The paradigm of decentralization and re-centralization process and its impacts in Turkish Health system is evaluated in the research. According to this aim, SWOT analysis is performed, and strategic managerial decisions, its impacts and public health promotion applications are compared for before and after decentralization period.

Keywords: Decentralization, Health Management, Public Health, Hospital Management.

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1. Introduction

Health care services and their management is an important issue for both public and strategic management approaches. Since health is seen as a global public good, its management is also related to

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public and governments must manage health services in order to provide better services to the patients. The approach of mentioning health services as a public issue, these organizations have been managed by governments for many years. On the other hand, after World War II, it was noticed that every different parts of the country have their own properties, and managing of health services in different areas at a single managerial part is not effective, since their requirements depend on their local properties. For this reason, it was argued that most of public services including health services must be managed according to their area properties. This process has started decentralization of health service managements.

Strategic management approaches develop with idea change of human sciences. After industrial revolution, Tylor Approach was used to manage public service organizations. Afterwards, it was noticed that human capital must have a value, and its contribution to the production or service must be evaluated, as in the human currents approach. Nowadays, interactive approach is more dominant, and it is known that human capital, or more specifically individuals are most important parts of organizations. Thus, strategic management approaches have also been affected from this transformation.

2. Literature Survey and Hypothesis

2.1. Decentralization and management in health care services

The main idea of decentralization is based on the argument that smaller organizations inherently more agile and accountable than are larger organizations. In belief of this idea, many European countries have introduced decentralization strategies (Saltman, Bankauskaite, and Vrangbaek, 2007; Lakshminarayanan, 2003; Bossert, & Beauvais, 2002; Saltman, Bankauskaite, Vrangbaek, 2006). While trend towards decentralization of health policy to lower levels of governments is continuing, some countries in Europe turned to re-centralization process (Tediosi, Gabriele, Longo, 2009; Phommasack, Oula, Khounthavong, Keobounphanh, Misavadh, Loun, et al., 2005; Collins, Omar, Tarin, 2002; Mills, & World Health Organization, 1990). This shows that decentralization of public organizations or their management in central management is a paradigm for health care services.

2.2. Public and private approach limits of decentralization

Decentralization and re-centralization paradigm brings an important issue for the management of health care services (Mills, World Health Organization, 1990; Saltman, 2008; Saltman, Bankauskaite, Vrangbaek, 2006; Bankauskaite, Dubois, Saltman, 2007; Spain, Health System Review 2006). The new problem is limits of public and private management approaches. In decentralization process, public organizations are seen as smaller organizations, and they are managed as business organizations. At this point, limits of the decentralization constitute a paradigm.

2.3. Key Factors for decentralization

In general belief, institutional capacities and mechanisms of accountability required a transform decentralised management into improvements in health systems are lacking. On the other hand, it may be also thought that these concepts are in relation (Bossert, and Mitchell, 2011). Key factors for decentralization differ based on decentralization process, and organization type which is to be decentralized (McIntyre, and Klugman, 2003). According to theoretical perspective, there are three driving forces to explain reliance of health systems on decentralization policies. These are (1) performance issues, (2) legitimacy issues; and (3) self-interest issues (Saltman, Bankauskaite, and Vrangbaek, 200; Mosca, 2006; Bouckaert, Geert and Koen 1997; Johnson, Ronald 1995; Cohen, John and Stephen, Peterson. 1997).

2.4. Evaluation and feedbacks

Evaluation and feedbacks of the decentralization process depend on driving forces to explain decentralization process. However, a comprehensive supervision of feedbacks and a detailed feedback system must be set up.

In the research, there are four hypotheses to be evaluated as given in the below:

H1: *There are the benefits of decentralization to the Turkish Health care system to solving of performance issues.*

H2: *There are the benefits of decentralization to the Turkish Health care system to solving of legitimacy issues.*

H3: *There are the benefits of decentralization to the Turkish Health care system to solving of self-interest issues.*

H4: *There are the benefits of the new system to the Turkish Health care system in comparison to re-centralization process or as in the past system.*

With this hypothesis, general evaluation of decentralization process and its effects are examined by using SWOT analysis, and its results are given. With these three hypotheses, benefits of the decentralization process and its driven forces given by the report of Saltman et al (2007) are evaluated

3. Methodology

In the study, SWOT analysis is used to evaluate decentralization process and its results on the health care system in Turkey. SWOT analysis is used for both before and after decentralization processes in Turkey. In addition, comparison of two durations, before and after decentralization, is also given in the research.

4. Results

SWOT analysis results for the Turkish Health Care System before decentralization is given in the Table 1.

Table 1. SWOT Analysis results before decentralization process

Internal origin	Strengths	Weaknesses
	<ul style="list-style-type: none"> • Easy to manage in a central management • Unique quality within country • Social and politic governance 	<ul style="list-style-type: none"> • Managerial issues • High range of control area • Managing of human capital • Bureaucracy
External origin	Opportunities	Threats
	<ul style="list-style-type: none"> • Social government image • Financial status • Competition opportunities 	<ul style="list-style-type: none"> • New Public Business Approach • Hard competition standards • Privatization • Innovation • Local and regional differences • Accountability issues • Transparency issues

According to SWOT analysis results, it is seen that weakness and threats of the system are more than strengths and opportunities before decentralization. Strengths of the previous system were easy to manage in a central management, unique quality within the country, and social or politic governance.

In the previous system, managerial decisions were taken form in a central management organ, namely Health Ministry. Although this may cause some bureaucratic problems, it was easy to control health organizations in a center. Unique quality was also strength of the previous system. The last strength item related to these two was social or political governance. A subject from Istanbul or Hakkari was given same health care services which were determined by Ministry. Since health is seen a public goods, giving same qualified health services to all subjects of the country gives equity sense within the country. However, these strengths also brought some weakness internal origin. These were managerial issues, high range of control area, managing of human capital, and bureaucracy issues.

Weakness of the system before decentralization was mainly due to high range of control area. In literature, it is known that higher company or organization requires more professionalized management. On the other hand, it is impossible to manage an organization after a certain level depending on its dependences such as competition, technology and knowledge included in. In a whole country perspective, it is not possible to give same managerial profession to all organizations within the system. Another important weakness of the central management is bureaucracy. In the previous system, managers of health care organizations were not able to give rapid decisions because of bureaucracy. This was also

affecting to manage of human resources. A manager deciding to change position of a worker had to deal with heavy bureaucratic processes.

In external origin, opportunities were social government image, financial status, and competition opportunities. In the previous system, health care organizations were seen like a government organization, and this perspective gave a competition priority to these organizations at competition area. A subject of the country thought that these organizations give services to public with no profit. Since health is seen a global public goods, it must be nonprofit orient. There were many threats of the previous system such as New Public Business (NPB) approach, hard competition standards, privatization, innovation, local and regional differences, accountability issues, and transparency issues. New Public Business approach says that a public organization also must be managed like a private organization (Khaleghian,2004; Rondinelli, 1981; Shah, & World Bank 2006).The main reason for this approach is that private organizations have been giving more qualified services than governmental organizations. Thus, public organizations must think like a private organization to give as qualified services as in the private sectors. This approach is not applicable without decentralization. Other important threats of the previous system were accountability and transparency. These two concepts are included in modern governance. This approach says that public must know how they are managed, and how their taxes are spent. It was hard to give a clear accountability and transparency vision in a central management. SWOT analysis results for the system after decentralization is given in the Table 2.

Table 2. SWOT Analysis results after decentralization process

Internal origin	Strengths	Weaknesses
	<ul style="list-style-type: none"> • Managerial issues • Low range of control area • Managing of human capital • Bureaucracy 	<ul style="list-style-type: none"> • Private sector • Financial differences • Gap between share of domestic income
External origin	Opportunities	Threats
	<ul style="list-style-type: none"> • New Public Business Approach • Easy to adopt competition standards • Innovation • Local and regional differences • Accountability issues • Transparency issues 	<ul style="list-style-type: none"> • Easy to manage in a central management • Unique quality within country • Social and politic governance • Excessive focusing on performance

Table 2 shows that threats of the previous system are opportunities of the decentralization. After decentralization process, structures of the health organizations are in accordance with NPB approach. They are managing like private organizations, and give public services. Other opportunity of the system is easy to adopt competition standards including innovation and technologic developments. Since organizations are in low level, it is easier to supervising and managing them. Accountability and

transparency of these organizations are also easier than in the previous system. Table 3 shows SWOT Score Tables for before and after situations.

Table 3. SWOT Analysis Scores based on Item

	Strengths		Weaknesses	
	Before decentralization	After decentralization	Before decentralization	After decentralization
Internal origin	3 items 17,64%	4 items 23,53%	4 items 23,53%	3 items 17,64%
External origin	Opportunities		Threats	
	3 items 17,64%	6 items 35,29%	7 items 41,18%	4 items 23,53%

According to table, it is shown that strengths after decentralization is higher. Likewise, opportunities are also higher in decentralization results. For weakness, decentralization process decreases weakness of the system, and threats.

Weakness of the decentralization are private sector, excessive focusing on performance, financial differences, and gap between share of domestic income. In fact, gap between shares of domestic income is not only important issue of the decentralization, but it is also a problem for the all public services. Another weakness of the decentralization is private sector health organizations. Past experiences showed that competition changes organizations to the direction of profit organizations, and income of the organization becomes the most important objective of the organizations. However, health is a human right and must be more important than profit. On the other hand, the new system after decentralization process contradicts with this argument.

Similar to opportunities, weakness of central management is strength of decentralization process. After decentralization process, it is easier to solve managerial issues, control area is more restricted, and there are less bureaucratic steps. Decentralization offers smaller and easy to manage organizations to the public sector. In addition, regional and local differences within the country are more mentioned in the new system after decentralization.

Although there are several benefits of the decentralization process, it is seen that there some problems which are not solved after decentralization process such as political issues, governance and employment. Health Ministry regulated 663 numbered delegated legislation in order to make clear some points of the decentralization. However, there are some unclear points such as assignment of the employers, qualitative

and quantitative performance standards. Today, performance based health care system causes many health costs, and it restricts doctors to give enough time to its patients.

Evaluation of Hypotheses

According to SWOT analysis results and observations, hypotheses given in the research are evaluated. The first hypothesis is “There are the benefits of decentralization to the Turkish Health care system to solving of performance issues”. This hypothesis is not accepted since decentralization process itself increases performance based problems. In health regulations recently legislated by the government depend on performance based evaluation. Thus, it is important for a decentralized health organization to increase its performance in order to increase its level regulated in 663 numbered delegated legislation. However, performance evaluation standards are unclear and business approach is dominant in general. Thus, it can not be said that decentralization gives benefits decentralization to the Turkish Health care system to solving of performance issues. In contrast, it also causes additional performance problems.

The second hypothesis is “There are the benefits of decentralization to the Turkish Health care system to solving of legitimacy issues”. This hypothesis is accepted since decentralization suggests less bureaucracy and easy managing of small organizations. The third hypothesis is “There are the benefits of decentralization to the Turkish Health care system to solving of self-interest issues”. This hypothesis is also not accepted since there are still some unclear points for the accountability and transparency. They are seen opportunities of the system, not strengths. Thus, it may be said that they may be solved in future, after decentralization process is completed. Results of the research shows that decentralization process and its impacts are not definitely substantial, and benefits of decentralization is not understood in general for both in theory and application. Many countries in the world examine differences between decentralization process and properties of the system before (Peckham, Exworthy, Powell, & Greener, 2005; Peckham, Exworth, Powell, & Greener, 2008; Jeppsson, & Okuonzi, 2000; McIntyre Thomas, Mbatsha, 1999).

However, none of them give an exact answer to the question similar to applications in Turkey.

In general, it is seen that decentralization process and its impacts in Turkish Health care system shows not a definite or significant contribution to the health care management system. However, it is also seen that failure of decentralization process may be related to field operation problems. Turkey has many different cultural, economic, social and geographic areas. Since they have different properties, managing of such a different contributed health system is complex, and decentralization is crucial. On the other hand, applications and field operations show that it is not as easy as to contribute a decentralization process as in EU samples. For this reason, it is argued that a comprehensive and detailed decentralization process depending on conditions of the country may give expected contribution to the health care management system.

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