

22 PARC TAULI CONSORTIUM HOSPITAL (B)

Parc Tauli Consortium Hospital (PATCH) was formed through an agreement signed on December 31, 1986, by the state government of Catalunya, the municipality of Sabadell, the Autonomous University of Barcelona, Mutua Sabadell (a mutual funds company) and La Caixa de Sabadell (a savings bank). As per the agreement all the _assets of the hospitals that were owned and run by the municipality of Sabadell, Mutua Sabadell and la Caixa University of Barcelona, were to be taken over by the Consortium to be constituted by the government of Catalunya. Other details and the background of various hospitals are given in PATCH (A) case. This case describes the implementation of the merger decision to form a new hospital.

Implementation of the Merger Programme

Sharing the experiences of implementation of merger decision over the five years period, Dr. Sepulveda said

"We had to tackle several problems associated with the issue of organisation of the consortium hospital and integration of four different hospitals to form a single organisation; In order to do the job, different aspects of merger had to be kept in view, such as the situational context and the jurisdiction of various hospitals, the condition of the building and installations, the equipments and their transferability. Beside, the issue of organisation structure and personnel matters (such as the terms of appointments, level of salaries, structure of work units, working hours,-etc.) had to be attended to. This was to be done within the boundaries of indebtedness of the hospitals, the receipt and payment policies, the, treasury condition, the resource availability for providing quality services as per the expected demand and so on. Drawing up a plan for action was indeed, 'a mind boggling exercise for us."

"From the beginning", he carried on, "we had decided to follow a style of management which was marked by openness and participation 'which eventually became a part of the culture of the organisation. But during, the implementation phase we faced enormous problems on account of this and often we wondered whether this style is found only in the books".

The year 1987, the first year in the life of the Consortium Hospital was an eventful and tough year. The transformation involved significant changes in all aspects of the working. One issue of great significance, which changed the course of. history and the policies of the Consortium immediately, was the change in the Norms of Admission of patients. The new norms of admission were fixed on the premises of equity in access and attention to all the patients and the new rules forbade any preferential treatment based upon differentials in fees or the status of the client or the doctor.

The new Norms of Admission did not please everyone and some doctors even decided to quit the organisation. The majority of them, however, stayed back expecting significant improvements in the labour situation and infrastructure facilities on creation of the Consortium, as also a better career and professional development prospect in the future.

Right from the beginning the management of the consortium had been trying to have a single union of workers for negotiation and discussions with the management, but actually four independent unions, one from each of the hospitals that were partners to the merger, were functioning till almost the end of February 1989, when the single union for the entire Consortium- was constituted. In the operation of the workers it was desirable to continue with independent

labour unions for each of the organisations, especially at the time when the industrial relations situation was really bad, marked with the feelings of insecurity and also with what an employee described as a threat of "being ignored".

Beside the labour issues, the individual hospital also faced the problems of lack of proper facilities while having to confront complex nursing demands. The doctors and the patients alike complained for long about the poor availability of nursing staff in the hospital. The situation was critical but no solution in sight to provide adequate technical, paramedical, support staff.

Long before the end of 1986, while preparing for the formation of the Consortium, several working groups, comprising peoples drawn from different centers, disciplines and categories of professional were formed. These teams visualized blueprint for action and estimated the investment necessary to be made, over the years, to start the Tauli Complex. They had developed a detailed plan for the entire scope of activities of the Consortium, programme of the consolidation of the nursing equipment, and had also chalked out a plan for shifting to the Tauli Complex.

Implementing the plan,, however, turned out to be an extremely ticklish and sensitive task. Several significant organisational issues, concerning the day-to-day working had to be tied-up. Most important among them being establishment of cordial relationship between the persons working in different hospitals. The first meeting was held in an atmosphere charged with great rivalry and strong disagreements between the doctors and the nurses. Despite their having agreed for establishing cordial relationships, in reality an atmosphere of widespread mutual suspicion and distrust prevailed. One wondered as to how long this condition will persist in various hospitals. Even some members of the management committee who were trying to bring about the integration of various hospitals started wondering whether or not their approaches were right for the creation of the Consortium. Doubts were lurking in their mind about the very viability of the project.

Although the Consortium was created in December 1986 legally, but for most people things had not changed much. They were working in the same position and in the same way as they did in their previous hospitals. The integration of work groups instilled a feeling that the things were moving and that one could hope for better days ahead although it involved inconvenience to many. This was buttressed with the fact that the change had started showing results in line with some of the announcements made by the management at the time of Consortium formation. This enthusiasm turned into euphoria when the management announced the shifting of Clinica Creu and Santa Fe operations to the Tauli building named the Tauli Complex.

The opening of the Tauli Complex made many people stay back to work at the Consortium. For, as one person said "the course of things had changed". For those who were involved in the planning for the shifting and who participated in effecting the physical shifting, the opening of the Tauli Complex was an achievement and an indelible record. This was, however, not the view of all the persons, many of them believed that the situation had not changed materially, even the working hours and the salaries had not been rationalized. Only the physical *change* of place of work and of colleagues, on account of shifting to the Tauli complex had taken place. The change of the conditions in other aspects of Consortium involved changes in the total system. The price to be paid for change in the first year was high. The change in working hours had affected over 1000 persons and change in place of work for many others.

For some people this was a period of even apathy and numbness, which lasted for more than two years. To a large extent the main reason for this was related to the issue of salary, but another reason was that the change in the organisation structure had introduced new persons, particularly in the supervisory staff. The closeness in working together in earlier hospitals had nearly gone and there was no force binding them together as in the past. There was perceptible

diminution in cordial relationship -which later made the task of creating of the organisational hierarchies difficult, resulting in delays in the decision making and impeding the process of problem solving.

The year 1987 ended with two major events, the opening of Emergency Service ward and shifting to Tauli Complex. Still a climate of euphoria was prevailing. The shifting to new (Tauli) complex was a process that was symbolic in nature and people had gradually started identifying with the Consortium and adjusting to the changed situation. During most of the time there was total support and people were anxiously waiting for transformation of Consortium into a new hospital that was different and which brought all round improvement. Majority of the people gradually became accustomed to the work amicably in a narrow area and in an atmosphere that was marked with brotherhood. There was a general feeling that the things had changed for the better, at least theoretically. They moved to the new complex with the hope that they will now grow professionally, there will be reduction in constraints etc. for providing better service would be met. These heightened expectations led some people to demand more than what the organisation was able to *give*. A fraction of the staff was elated, but there was a growing feeling that "we ourselves are building such high demands that will make it impossible to achieve the `Promise-land Hospitals; "

Although shaping the future of the Consortium involved action on many issues like the constitution of the new institution, handling of enormous bitterness and *so on*, but there was nothing as difficult and circumstances involving as high sentiments as what was termed as `crossing the desert'

The Crossing of Desert

Despite a feeling of improved working, the formation of the Consortium and the occupation of the new complex in 1987 did not signify any perceptible improvement in the actual functioning (in terms of concrete outputs), as much as the dust it created or one might tend to believe. A major part of the problem which affected the old hospital's life were present at the Consortium too and the reluctance of people to accept new things. The functioning from the Tauli Complex, the new work rhythm, posed new hurdles in the smooth operations. The euphoria had not yet died down and a little later this changed into a kind of `contraction of muscles'.

The creation of the Consortium led to the merger of the work-groups, then the physical things and subsequently the fusion of different cultures, which had developed uniquely in different hospitals that had been merged. This meant the establishment of a new organisation culture (through involvement of even those people who were not interested at the time of formation of the consortium), developing unified policies and systems of work procedures, which reduced diversity among the hospitals on the one hand and took into account the unique situation in which each of the hospital was placed on the other. The factor that resisted the change most was that the people remained tied to their good old ways of working. The circumstances that marked pleasure in the old hospitals had disappeared. Moreover, the hospital having become big, had lost the familial relationships. It was -now impossible to know everybody personally with whom one worked, and in certain services people had to work with those who were till recently their rivals and competitors.

Apparently the uneasiness associated with the setting of new norms for admission, new procedures etc. which were introduced for improving the workflows, conduct and behaviour was ingrained in the microstructure. To some persons this setting of new norms was an open contempt for the agreements that each hospital had with their earlier managements and this feeling perhaps

also enhanced the restlessness. This was despite the fact that the erstwhile owners had shown tremendous foresight and extended full cooperation in accepting a change from privately run, free enterprise form to a new institute where everything was almost totally regulated. The latent discontent was fuelled by heightened expectations which continued to soar. This was especially so among the professional staff who had much higher illusion and expectation from the new institution. The Consortium had acquired an identity, but to a great extent it was relevant only to the faculty body (doctors) which had hoped for extraordinary possibilities of providing high quality medical services in small centres. The build up of hopes and expectations became a proverbial "sand bag with a hole" for management to carry, with lot of work done by the management but still it was not enough to meet the expectations. When the expectations were not met it started generating a feeling of frustration with no end in sight. People gradually started becoming restive, some of them even started questioning the merger itself.

The contract of the management had no binding on previous hospitals to accept everything. Therefore, some people started behaving in very uncontrolled and irresponsible manner which damaged the relationship and cordiality among the colleagues and finally the connection with the very operations and the management. The model of management accepted at the time of merger, was that of participation and openness in the system of working. This looked to become counterproductive causing difficulty and complexities for the management later in effecting the changes.

With the implementation of merger and passage of time the operations had grown in size and so did the scope of the management function in the new organisation. The task of integration of the merged hospitals was still not over. The major challenge came in the form of managing the human resources. It was now necessary to develop a coherent set of objectives, commensurate with the resources available, and to place the responsibilities of the final results.

This new role of a "responsibility centre manager" was not understood completely by the entire faculty group. In some cases the doctors displayed frontal opposition to the changes. Some medical chiefs were removed. They were doctors of repute but were maladjusted to the new roles. Doctors who had grown professionally in other institutions were contracted for the development of the services, but some of them too did not fit the task requirements properly. It was a shock for the whole Consortium, a lot of people not understanding the changes, the new experiences. Probably for the faculty the shock was the greatest who felt that they were displaced because they did not agree with the management on various issues. They believed that the management was of interested in their opinion and that the approach of management was dictatorial. This resulted in a showdown pushing the organisation into a real crisis.

The Crisis

The agreement and consent for merger and unification were under extremely distressful conditions of the hospitals. During the implementation phase the general atmosphere prevailing was that of "one can't wait". The new procedures and new methods had no semblance of the past with which people were familiar, accustomed to or what they could have even imagined. Some viewed it as a total scrapping of the ways of the past. The doctors felt that the new structure of responsibility and control had brought a lot of objectivity, but still there was a very high order of subjectivity in the performance evaluation.

To some people it seemed that the management and the medical director, as CEO, steadily adopted an attitude of coercion, avoiding dialogue and imposing dictates. Some people were of the view that the management of the hospital did not entertain any excuses on performance. The feeling of people was that very heavy demands were being made on them, especially the doctors

who believed that they were being pressed too hard for the objectives set for nursing.

This breakdown of the mental tuning which was necessary for proper communication, manifested in the form of a crisis when the medical director announced that the hospital proposes to enforce a policy for ensuring quality of medical care and constituted a Technical Commission for developing the same which included, inter-alia, a group of faculty members. The faculty members did not like involving others (who were not doctors) in the process of development and implementation of the policy. However, the medical director went ahead with it. A feeling of being "avoided" from the decision making process therefore grew among the doctors, leading to a showdown when the contract of a temporary doctor was not renewed. This led to a precipitative crisis that shall be remembered as an important turning point in the history of PATCH. The Association of Professionals leading the faculty group demanded the dismissal of the medical director and simultaneously paralyzed the working of the Technical Commission through the resignation of the Faculty members.

Different reasons were attributed to the crisis by different people. The management committee was of the view that the faculty looked at the Technical Commission as a supervisory and control tool over their working which they did not like. The additional prevailing view was that the situation was manipulated by the dismissed faculty who had accused the medical director.

Some others felt that the crisis might not have taken place but for a group that had turned against the management and used this opportunity to demand the dismissal of the medical director. In a survey carried later to understand the process of Consortium formation, no one, however, belittled the importance of the Consortium itself. The crisis was a turning point because for once it had established an institution that was strong.

On the intervention of the governing council, a meeting was called. The doctors blameç management committee for the crisis, complaining about the disappearance of the participation in the management process and for being deliberately kept in the dark by the management on important issues. The management's view was that the people were hardly contributing to problem solving and were using this only as a guise for creating the crisis: Notwithstanding anything the demand for the removal of the medical director was rejected out rightly. The governing council stood firmly on the decision of the management committee. The strike had to be called off unconditionally.

Most of the faculty accepted and understood the decision of termination of the temporary contract of the doctor but disapproved the way in which it was done, the changes in the terms of contract and the attitude towards their Association. They considered that the strategy of introducing the change against faculty opinion was destined to be a failure, particularly at a time when the' intention was the democratization of the hospital. They impressed upon the governing council to pronounce the basic premises of functioning of the hospital, in particular, clarifying the circumstances for non-renewal of contract of appointment, preparing a manual outlining the main terms of service and developing a policy of Quality of Medical Care to be enforced by the medical director. This was accepted by the governing council. To a large extent the crisis signified and established the authority of the governing council as the supreme body of the institute, as one of the persons remarked "the hospital really had a governing council now". It also established clearly the manner in which the institute was to be run in future.

EXHIBIT-2

Important Decisions Effected by the Governing Council

January 8, 1987

- Approval of a unique organisation structure for the entire consortium, indicating the functions and the new responsibility centres.
- Approval and constitution of a commission each, for the following:
 - Infection, Hygiene and Antibiotics
 - Clinical and Pharmaceutical Documentation
 - Mortality and Histology
 - Teaching and Medical Research
 - Teaching and Research in Nursing
- Approval of the norms for admission and usage of Consortium Hospital which was guaranteed and had equity in access.

June 8, 1987

- Commencement of Pathological Services for entire hospital at Tauli building, with the transfer of all resources of the pathology area.

June 12, 1987

- Effecting the parity in the compensation to people at similar levels in the entire consortium.
- Inauguration of the Central Sterilisation Unit at Tauli Complex.

September 17, 1987

- Setting up of a Clinic for Epidemics.

October 14, 1987

- Opening of the Tauli building with a Central hospital, with transfer of all the material and human resources of La Creu, La salut (old building). Commencement of the nursing activity with the opening of the Emergency ward and a unified hospital.

October 22, 1987

- Settlement with the Union of Workmen for unified working hours for the entire hospital.

October 28, 1987

- Transfer of 93 chronic cases of VII Centenary to Tauli Building.

November 19, 1987

- Setting up of a unit for catering to users' attention with the objective to incorporate patients opinion in formulating patient care policies.
- Approval of the criteria for categorization of personnel in administration and dietary services.

Decisions affected by the Governing Council during 1988-89

May 15, 1988

- Opening of the Old Persons Home and transfer of the 120 occupants to Tauli.

May 19, 1988

- Approval of the modernisation of the Laboratory for the Emergency Ward of the hospital, located at Tauli Complex.

- Institution of the technical and consultative commissions to undertake in-depth studies in the following areas:
 - therapeutic drugs,
 - mortality
 - dressing and surgery
 - clinical, infection-hygiene & antibiotic policy documentation
 - teaching and medical research
 - teaching and research in nursing
 - quality control

August 9, 1988

- Inauguration of the communication channel between Santa Fe and Tauli Complexes

September 22, 1988

- Accreditation of the hospital by the Ministry of Education & Science, for medical - education.

November 10, 1988

- Unification of the kitchens of Tauli and Santa Fe. December 15, 1988
- Approval of the plan for expansion of the Intensive Care and laboratory.
- Accordance of right to use the hospital to the resident of Old Persons Home.

February 1, 1989

- Effecting the norms of selection for faculty positions.
- Approval of the job description of Head, Clinic as a line of professional promotion (without reorganising management structure)
- Approval of the policies for nursing quality in the Hospital.

February 2, 1989

- Constitution of a single Workmen's Union for the entire hospital, instead of 4 that existed earlier.

February 28, 1989

- Declaration by Governing Council of the key role of the medical chiefs and managerial roles in their job.

April 3, 1989

- Creation of the position of Director, Industrial Relations
- Creation of the position of Director, Nursing Programme with powers to draw a scientific & technical organisation structure for the Management of Nursing Services.

July 24, 1989

- Voluntary declaration by the Governing Council of the institution of a Commission of Ethics, to review the conduct of the Governing Council, the management, the medical professionals, and users of the hospital and others that the Governing Council considered necessary.
- Approval of the organisation structure, management philosophy and system (to regulate its internal functioning), which was compatible with the Financing of the Consortium.
- Approval of the rules for functioning of the faculty group.
- Creation of a Commission of Test Clinics. September 25, 1989
- Acceptance of proposal from Organising Committee of the Barcelona Olympics for nominating the Hospital as a Olympic Hospital for the sub-sector.

December 11, 1989

- Approval of the status of CONSORTIUM and the incorporation in the name of Consortium Hospital of Parc Tauli.
- Constitution of a Nurses Assembly.

EXHIBIT – 3
 INVESTMENTS DURING 1987, 1988 AND 1989
 (THOUSANDS OF PESETAS)

	Investment Category	1987	%of total invest.	1988	%of total invest	1989	%of total invest	Three years total	%of total invest
1.	Equipment for new services	--	--	35700	15.8	152100	34.6	187800	19.1
2.	Improvement in Medical Equipment	86100	27.4	76800	34.0	53300	12.1	216200	22.0
3.	New Equipment for Medical care	55400	17.6	56400	24.9	28800	6.5	140600	14.3
4.	Improvement in Medical care offered	141500	45.0	168900	74.7	234200	53.2	544600	55.4
5.	Medical & Installation	75500	24.0	29400	13.0	33100	7.5	138000	14.3
6.	Renovation of bldgs.	81400	25.9	15000	6.6	141400	32.2	237800	24.2
7.	Improvement in Kitchen Equipment	10600	3.4	12900	5.7	5500	1.2	29000	3.0
8.	Improvement in Information Equipment	5300	1.7	--	--	25800	5.9	31000	3.1
9.	Improvement in Security & Comfort	172800	55.0	57300	25.3	205800	46.8	435900	44.6
	Total Investment	314300	--	226200	--	440000	--	980500	--

EXHIBIT – 4
ORGANISATION STRUCTURE OF THE HOSPITAL

