

State Hospitals of Salzburg 2000

Project management principles provide the framework for a major health care organizational development program in Austria.

by Roland Gareis

Modern project management is rapidly expanding into new industries and organizations throughout the world. In many cases, it is being tried in public and social environments where it was previously unknown. In Europe, the health sector is beginning to adapt project management processes and structures, providing another demonstration of their widespread applicability. This month we showcase an Austrian program with an article provided by Dr. Roland Gareis, former president and chairman of Projektmanagement Association Austria and chair of IPMA's Global Committee for PM Research. His article suggests opportunities for the profession to reach out to the medical and health care communities in all countries.

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BUDGET LIMITATIONS ARE a reality for health care systems, not just in the United States, but worldwide. For example, the Austrian health care system is undergoing fundamental changes. In 1994 the administration of the State of Salzburg initiated reengineering activities for public organizations. Parts of the health care system of Salzburg (three major hospitals and a number of smaller health care institutions) belong to the state. Due to the specific conditions of the health care sector, it was decided to perform organizational development (OD) activities in the hospitals as a program separate from other OD activities in the public sector. Roland Gareis Consulting was chosen to provide coaching for this program.

The objectives of this OD program included decentralization of the health care system in Salzburg, new and improved services for clients, the promotion of management professionalism in the hospitals, the implementation of quality management, and cost reduction. Because of its complexity this venture was defined as a program consisting of various projects and temporary tasks. The initial concept project involved an analysis of the situation in the state hospitals of Salzburg, identification of objectives for change, and design of the structures for the OD program.

In addition to the principal objectives described above, several other important objectives were identified. They included the enhancement of cooperation between the hospitals, improvement of cost awareness, ensuring that new services provided competitive advantage, and the enhancement of employee orientation.

Before this program was initiated, important management functions such as budgeting, controlling, personnel recruitment, and investment in buildings and equipment were coordinated by departments of the administration of the State of Salzburg. Now, all these management functions will be delegated to the hospitals. In order to be capable of fulfilling these new functions, hospital management must be professionalized. Comprehensive management and training must become a prerequisite for the implementation of decentralized systems.

The Scope of the OD Program. The OD program "State Hospitals of Salzburg 2000" was kicked off in February 1996 by a decision of the State Government of Salzburg. The program will terminate at the end of December 1998, before the 1999 state elections.

The program includes several projects, which are being performed both concurrently and sequentially. It also includes temporary tasks, such as program coordination, program marketing, and management training. The set of projects and temporary tasks that had been defined as of April 15, 1997, are documented in the work breakdown structure of the program (see Exhibit 1).

Conception projects are distinct from implementation projects in this WBS. This is because conception projects have the objective of increasing the quality of decisions by providing decision alternatives to the decision-makers. For example, before a new cooperative agreement concerning the laboratories run by different clinics is implemented, alternative solutions are described and evaluated and implementation plans for these alternatives are developed. Because most of this conceptualizing is highly complex and of such strategic importance, it is performed as a distinct project.

Typical implementation projects include reorganization projects (for laboratories or ambulance services) and OD projects for single clinics or groups of clinics, such as the OD Head Clinics project described below. The timing of the projects and tasks is shown in Exhibit 2.

The Human Factor: Teamwork and Coordination. Since all projects and temporary tasks performed in the OD program must fulfil the overall program objectives, integrative structures for the overall program coordination are required.

The program owner is a group composed of the deputy governor of the State of Salzburg, the medical directors of the two major hospitals, the director of the Personnel Department and the director of the Department of Health Care of the Administration of the State of Salzburg.

Work Breakdown Structure of the OD Program

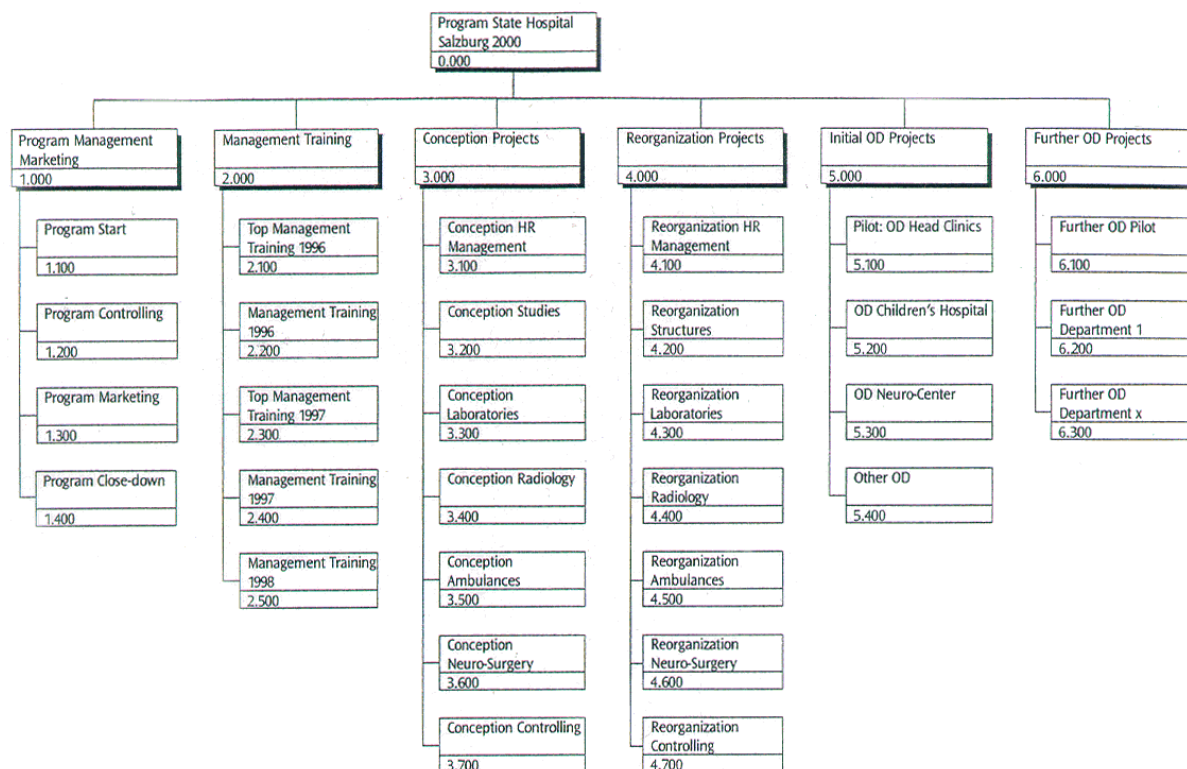


Exhibit 1. Driven by the budget crunch, the government of the State of Salzburg, Austria, has initiated a three-year organizational development program to improve patient services, professionalize management and reduce costs in the health care facilities under their control. This work breakdown structure was developed as part of the concept phase of this program.

The core team consists of the program coordinator (a physician), three representatives of the Department of Health Care, and myself as external consultant.

The coordination team includes all core team members, the project owners and project managers of all projects being performed at a given point in time. Every three months representatives of the program owner participate in the coordination team meeting. This organizational structure is shown in Exhibit 3.

The role of the core team includes continuous program coordination, program documentation, provision of infrastructure, support/management of particular projects, program marketing, information sharing with program owners, preparation of proposals, and organization of coordination team meetings. These meetings, along with the program owner meetings and core team meetings, are critical to program communications:

Bar Chart of the OD Program

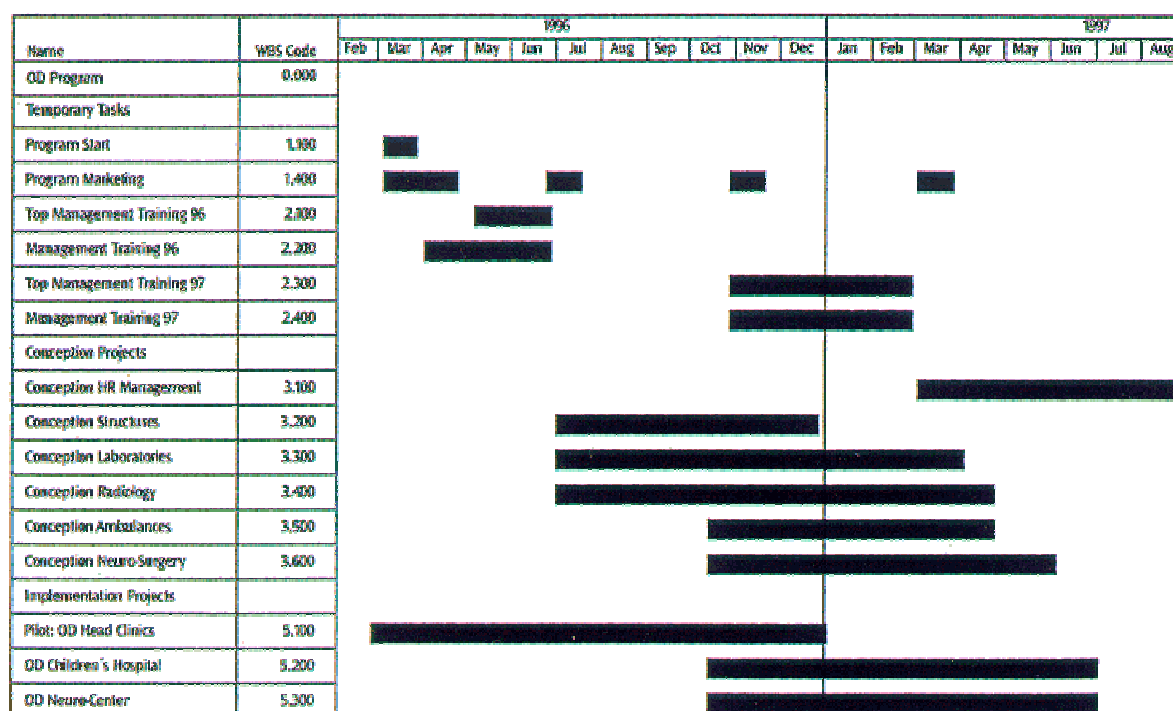


Exhibit 2. in order to avoid the inevitable disruptions caused by a change in administrations, the State Hospitals of Salzburg 2000 program is planned for completion before state elections are held in 1999. The bar chart above shows the various projects and tasks that had been completed or which were under way as of April 1997.

Also central to communications management for program coordination are the program organization chart, work breakdown-structure, bar chart and milestone list, environment analysis, the program handbook- and project handbooks, and program/project status reports. For integration purposes all project handbooks and project status reports are structured according to standards held in common by the stakeholders.

Individual projects, as well as the coordination of the overall program, are managed according to project management principles.

A Pilot Project: OD Head Clinics. Within the OD program, organizational learning has to be organized, and one important learning tool is the pilot project. In pilot projects the first application of new procedures and methods can be reflected, necessary adjustments can be made and the developed know-how can be transferred to following projects. The OD Head Clinics was one such pilot project.

Together, the ear, nose and throat clinic, the eye clinic, and the mouth, jaw and facial surgery clinic form the Head Clinics. From July to December 1996, these clinics were the subject of an OD project. The objective of this project was to further develop the identity of the single clinics as well as the identity as the group and to develop organizational structures and processes. The results of this organizational development process are documented in department handbooks.

Organizational structures were described by organization charts, communication structures, and role descriptions. The documentation of organizational processes illustrates the process of medical treatment of patients, the management of relationships with their relatives, and important administrative processes such as the creation of a weekly operating room schedule. The results of the analysis of the clinics' identities have been formulated as mission statements, and medium-term goals have been integrated into visions and strategic plans.

The OD process was executed by a project team of representatives of the three clinics involved and the consultants of Roland Gareis Consulting. A broader discussion and support was achieved by a number of presentations and additional working groups. The department handbooks are a major result of the project, but more important, the communication process between physicians and nursing and administrative staff has been improved. In addition, communication has improved among the three clinics.

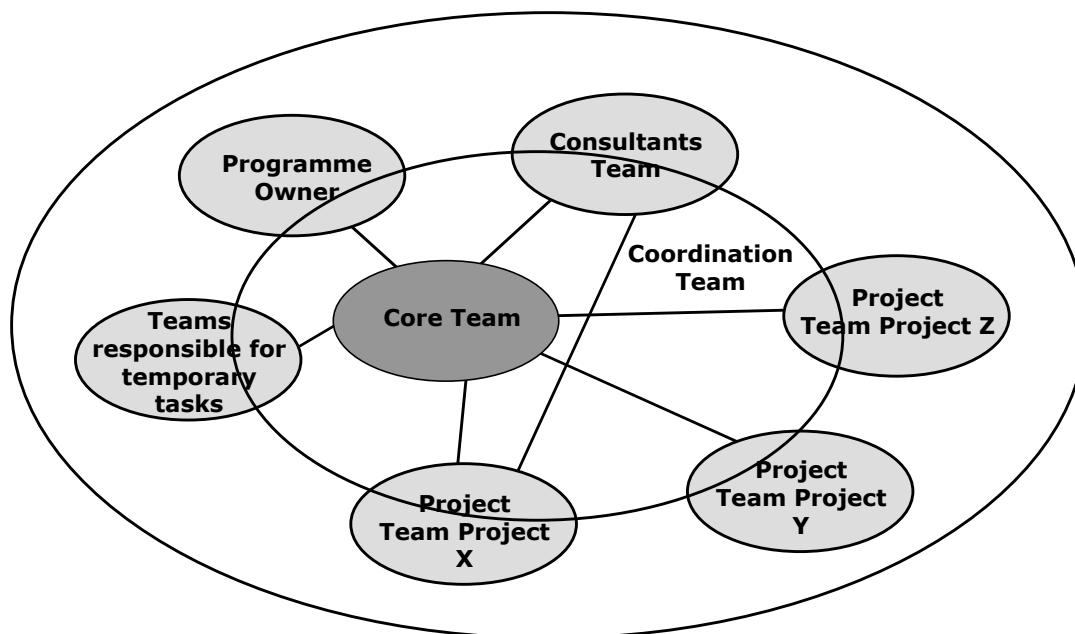


Exhibit 3. The organizational structure of this program is low on hierarchy and high on integration and communication. The inner circle, denoting the coordination team, involves members of all the project teams, consultants, hospital management, and representatives of the state government.

The project created a basis for a stronger management orientation on a departmental level. The OD process can be continued by further development of the existing organizational instruments and enhancement of teamwork.

Marketing of the OD Program. Due to the high social complexity and the strategic importance of the program, specific marketing efforts have been undertaken. These include a newsletter State Hospitals Salzburg 2000, published every three months; a program "info Sheet" published every month; regular presentations, made to stakeholders, of the results of the various conception and implementation projects; an informal party for members of the various project teams; an annual "private screening" of the program status to all interested employees of the hospitals; and a symposium on "Projects and Management in Hospitals" was organized in cooperation with the University of Economics and Business Administration, Vienna.

IN THE OD PROGRAM "State Hospitals of Salzburg 2000," program management is a powerful approach that ensures organizational learning, reduces program complexity, and helps to manage the dynamics of the program. Because programs are more open and not as goal-driven as projects, "soft" integrative management tools that ensure that the "big program picture" is understood have to be applied. Whether this management approach will lead to the success of this OD program will be evaluated in the near future by the patients, their relatives, and the employees of the State Hospitals of Salzburg.

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