

Improving Cooperation among Lebanese Private Hospitals through Strategic Planning

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Abstract

Background: In Lebanon, most hospitalization services are provided by the private sector. Private hospitals are represented by a Syndicate. This Syndicate of Private Hospitals in Lebanon did never have a strategic direction. Previous research indicates that a well-executed strategic plan focuses on healthcare quality of care and productivity. The Syndicate aims at improving the 3C's (communication-coordination-collaboration) of SEAM. The strategic plan is used a forward thinking process to strengthen the position of hospitals vis-à-vis internal and external stakeholders.

Methodology: A SEAM (Socio-Economic Approach to Management) diagnosis identifies dysfunctions in 3 C's (communication-coordination-collaboration). For those on a diagnosis revealed that strategic orientation is number one priority dysfunction in the private hospitalization sector. The Syndicate of Private Hospitals board members conducted several meetings to come out with a strategic plan. Primo-F was used to assess Internal Strengths and Weaknesses. Pestle was used to assess the external environment: Opportunities and threats. Then, a SWOT analysis was derived from the Primo-F and Pestle assessment. Vision, mission and values were reviewed. Strategic goals were developed. Key Performance Indicators were identified in order to monitor advancement and realization of goals.

Results: Six out of ten goals attained their set targets. Developing new legislations, strengthening bond between Syndicate and developing human potential were more than 97% achieved. Enhancing health tourism and setting public policies were difficult to reach due to the political situation in the country. Two indicators did not reach their due dates for measurement yet.

Conclusion: The strategic plan has changed the position of the Syndicate of Hospitals from a reactive to a proactive state. The strategic plan was set on a solid internal and external assessment. The results were enhanced cooperation between hospitals, advancement of the hospitalization sector and a major contribution to the health sector in Lebanon.

Keywords: Socioeconomic approach; Hospitals; Syndicate; Strategic planning; Communication; Coordination; Collaboration

Introduction

Importance of cooperation through strategic management

In Lebanon, 86% of hospital beds are private. The flourishing of the private hospitalization sector is encouraged by the economic policies of the country. Lebanon is a free economy market and a laissez-faire commercially based country. Hospitals have the freedom to buy any heavy machinery or open new facilities without much restriction. The result is a surplus of healthcare services that are under-utilized in most hospitals. The average occupancy rate is 70% which leaves a margin for increasing the number of admission and maximize profit [1-3].

Public and private guarantors sub-contract with private hospitals to render healthcare services for their population. In this process, the guarantors try to get contract conditions and rates that make the hospitalization bills the cheapest possible. In contrast, the hospitals negotiate with guarantors to get better payment conditions and tariffs. In this respect, the Syndicate of Private Hospitals (SOPH) acts as a mediator that represents hospitals as a collective bargaining body. Guarantors make their best to break the attempted solidarity bond between hospitals to mitigate the hospitals. The lack of cooperation with goes in the favor of guarantors gives each hospital different or low rates. SOPH keeps all hospitals aware of issues that concern their business. This has been restricted to bargaining for tariffs with public funds, lobbying for reimbursement, public information, accreditation issues and legislation to safeguard the interests of its membership [3].

The Syndicate of Private Hospitals is the only official representative of private hospitals in Lebanon. It is the leading spokesman for private hospitals in Lebanon. The Syndicate can play a role in breaking barriers between hospitals and bring in mutual benefits.

The Syndicate of Private Hospitals in Lebanon (SOPH) is a non-profit association that joins all private hospitals in Lebanon. All hospitals constitute the general assembly of the SOPH. The General Assembly elects an Administrative Board Council composed of 12 members to serve as the governing body of the Syndicate of Hospitals in Lebanon. The council elects an Executive Committee composed of the President, the Vice-President, the Secretary and the Treasurer. The author is the Secretary of the Syndicate. The author is a board member and Secretary of the Syndicate for more than 27 years gives me the motivation to work on this research. The Secretary is a member of the Executive Committee of the syndicate. He is at a position to carry changes to execution [4].

It is of outmost importance that members' hospitals stay in contact with each other and stay united for better cooperation. It is believed that cooperation between hospitals, mediated by the Syndicate, will have a synergistic effect for the private hospitalization sectors an added value benefits. In addition, it is important that this hospitalization body remains united in its vision, mission, goals, objectives and activities. Otherwise, it could lose its primary strength [5].

Aim of this research and motivation

This research focuses on advancing the hospitalization system in Lebanon through discovering ways to improve cooperation between private hospitals. Lebanon faces many challenges in delivering healthcare services. Most of the financing of healthcare comes from the public sector and mostly served by the private sector which makes hospitals strive to attract patients and maximize revenues. Without cooperation, services are chaotic and cost increases [1].

Strategic plan

The lack of a strategic plan makes board members unable to work towards achieving the syndicate vision. The Syndicate, backed by hospital cooperation, can have better deals with third party payers, enhanced relation with policy make. In addition; the Syndicate may raise awareness of hospitals vis-à-vis the consequence of new policies issued by third party payers. Thus, planning improves collective bargaining power of the Syndicate. This matter is very important in view of the economic situation that the country suffers from. Solutions are needed to help survival of a very vital social and economic sector [6-8].

The lack of strategic planning promotes uncertainty, and it was confirmed to be pertinent through years of empirical research. So, planning is a very important component to help the hospitalization sector survive.

Regulatory approaches, control knobs and implementation mechanisms

Hospitals are organizations. Organizations are open systems. They are synchronized social entities with boundaries which function to achieve a common goal or a set of goals. Organizations manage input-output, communication, coordination and collaboration.

Open systems are affected by the environment. They face uncertainty about the appropriate pattern of behavior. The system has to interact with the environment in order to improve certainty.

Moreover, hospitals have to network in order to achieve better results. Networking helps organizations to survive and decrease uncertainty Brasher claims that it is possible for organizations to be uncertain though they possess a lot of information. One approach to manage uncertainty is to improve communication and networking [9].

In addition, networks are collaborative entities in which organization members' partner with each other and create alliances in order to achieve a common goal. In fact, partners cannot make any achievement without partnership and collaboration. Cooperation to be simple but it needs skills, plans and rewards.

Similarly, the Socio-economic approach to management has identified SEAM approach defines the organization as a system of inconsistent participants. It has identified six dysfunctions in organizations. Communication-coordination-collaboration is one of these dysfunction themes [10].

Planning and productivity

Planning, productivity and efficiency are linked; a variation in productivity may be credited to a change in efficiency, provides an opportunity to monitor and set accountability of healthcare providers' acts, advances conveyance of healthcare services, improves quality through imposing legislation, and promotes best practices through the adoption of protocols and clinical pathways.

The lack of planning has raised many concerns about the sustainability of quality and the ability of regulating the hospitalization sector and there is little cooperation and insufficient trust between the private and public healthcare sector [11].

In the Lebanese hospitalization context, the lack of cooperation has caused insufficient knowledge of each other's activities or available services, inadequate feedback, and differences in commitment. Cooperation is hindered by competition. The presence of competition and need for cooperation is referred to as "coopetition". Competitors utilize shared knowledge in order to make more profit than peers. Cooperation can be further complicated by conflicting and defensive inter-professional relationships. At the end, inflexible organizational structures hinder cooperation [12].

Solution adopted by International Hospital Associations

International Hospital Associations have found resolution to non-cooperation. Examples of solutions discussed are from: International Hospital Federation (IHF), American Hospital Association (AHA), and Arab Hospital Federation [13,14].

The International Hospital Federation (IHF) has created special groups entitled "Special Interest Groups" (SIGs). This

international platform has established to evolve career path for healthcare executives, encouraging peer regulation and expansion of healthcare managers.

The American Hospital Association has valued of engaging workforce and its impact of high-quality of care. AHA has stressed on the preparation of managers and leaders for their roles. In addition, board members participate in board meetings that evolve the governance skill sets over time [14-17].

The Arab Hospital Federation has worked on setting-up a strategic plan, producing a focused training program for healthcare professionals in several fields. AHF has also gathered a database for healthcare institutions in the Arab countries in order to generate the Arab Hospitals Index and encourage cooperation between healthcare institutions.

Research questions

The research questions are:

1. What kinds of mechanisms can be applied to improve the internal organizational performance inside the Syndicate of Hospitals?
2. Will cooperation increase efficiency and decrease hospitalization costs?

Body of hypotheses

The core hypothesis is derived from field observations and explicit statements from board members, hospital directors and staff. In addition, I have reviewed my expert opinion, financial institutions and healthcare policy makers' reports. The core hypothesis is "Cooperation between private hospitals in Lebanon improves their quantitative and qualitative performance" [18].

The core hypothesis was divided into a body of hypotheses as follows:

- Member hospitals do not have a strategic direction from the Syndicate, which has a negative impact on the 3C's among members.
- The board of Directors of the Syndicate does not approve the strategic plan.
- Periodical meetings with member hospitals improve the cooperation and enable the approval of the strategic plan.

Methodology

The research was conducted using a Socio-Economic Approach to Management (SEAM) intervention-research. This intervention helps organizations conduct organizational change processes and unleash the human potential to generate more economic value. The human potential is considered in this theory as the invisible resource that helps the organization develop its strategic plans and helps it reach the objectives. The intervention-research was conducted in the Syndicate of Private Hospitals of Lebanon in the years 2017 to 2019 [19].

What is SEAM intervention research?

Cooperation is one of the 3 C's (communication, cooperation, collaboration) components of SEAM intervention research. 3 C's are influenced by a multitude of factors that can be assessed using the qualimetrics approach that is a methodology of SEAM. A qualimetrics approach is used because it offers an insight on how to identify dysfunctions, problems and challenges of any organization both qualitatively and quantitatively through listening and trusting in the actors of the organization. The qualimetrics intervention-research is a dual process intended at integrating theoretical research and field research. This methodological option acknowledges that the researcher is clearly engaged in his or her research strategy and co-constructs knowledge with the actors observed" [20].

The qualimetrics intervention research advanced an extravagant engineering paradigm of third person action research, taking into consideration the social and economic dimensions of the organization. The qualimetrics intervention research carries scientific accuracy to the examination of the complexity of the organization and the active dimension of the realism of the enterprise. This theory has 3 principles that are cognitive interactivity, contradictory inter-subjectivity, and generic contingency. In addition, SEAM creates new knowledge about management and, at the same time, helps boost performance and find solution to field problems. Performance consists in "achieving the goals that were given to you in convergence of enterprise orientations" (Figure 1).

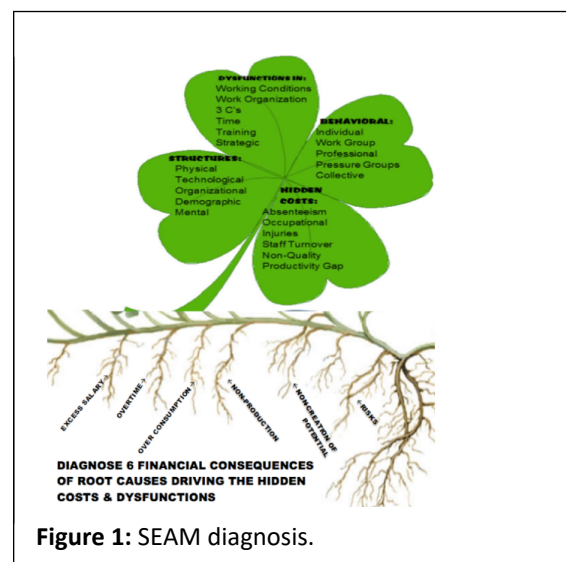


Figure 1: SEAM diagnosis.

The qualimetric intervention research is an intervention research established an intricate engineering paradigm of third person action research, taking into attention the social and economic magnitudes of the organization. The qualimetric intervention research carries scientific precision to the study of the complexity of the organization and the active dimension of the reality of the institution [21].

The qualimetric intervention approach of the socioeconomic theory is experienced in the post-positivist philosophy of joining theoretical reasoning with experience-based evidence.

The intervention research uses successive phases of inductive and deductive studies, as well as qualitative and quantitative methods, and research must be qualified and quantified permitting researchers to validate conveyed observations and findings. At the same time, the qualimetric methodology brings together the qualitative, quantitative and financial component [22].

When we compare intervention research to action research, there exists some linkage. The development of AR entrenches the involvement of the “researcher in an explicit program to develop pragmatic new solutions. Action research is a collective procedure of knowledge conception a ‘research-with’ the actors, rather than a ‘research-on’ the establishments and their ingredients.

The themes are analyzed by themes that have the analysis of action research literature by authors and themes exposed common features into transformative meaning. In addition, AR utilizes the concept of “reflective practitioner” as inherent part of the cognitive interactivity. Furthermore, AR underlines the “values base practice” formation.

In short, AR takes three levels of reflexivity: Personal reflexivity (1st person action research), collective reflexivity (2nd person action research) and the creation of a generalizable knowledge of scientific intent (3rd person action research). The following section addresses the relationship between action research and organizational development.

The author chose SEAM as a scientific method because it involves the whole organization and strongly stresses on people who constitute the crucial source of this approach [23].

Positioning

This research was positioned between different Strategic management control and organizational development theories: Socio-Economic Approach to Management (SEAM), lean management, balanced score card, six sigma and total quality management. After careful assessment, SEAM was used as the research methodology. SEAM was established by Professor Henri Savall in the 1970's [24].

It is constructed on a social-psychological foundation that implements the best way to attain long-lasting change through a full thoughtful of the delicate personal and organizational materials within the organization or unit under study. SEAM is based on three axes of change (Figure 2)

- A political and strategic decisions axis,
- A change process axis
- An axis of management tools.

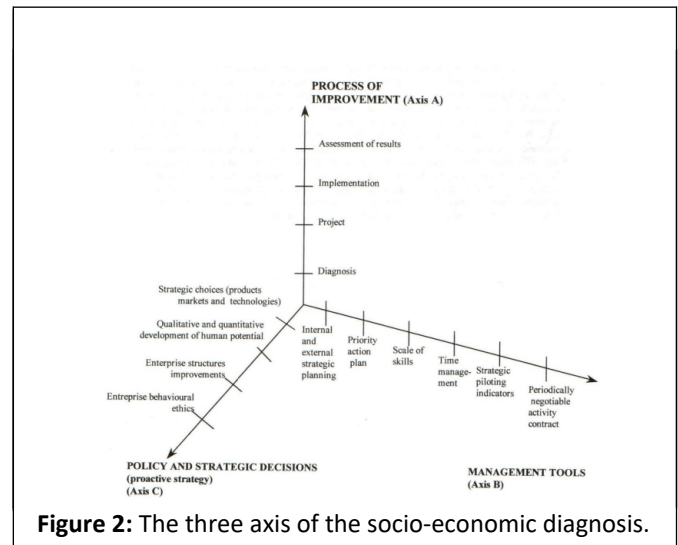


Figure 2: The three axis of the socio-economic diagnosis.

The hidden cost method is directly used in the analytical part of the process axis, but it actually pervades all SEAM axes. Hence, these three axes of improvement start with the diagnostic tools, using the HORIVERT process. According to Savall, sustainable performance is only possible by integrating the social performance with the economic performance of the organization. As it is observed, that an “SEAM, a socio-economic approach, factors both people and finances into the analysis” [25].

From the field to the knowledge creation

At the beginning, the author presented the project to the board of the Syndicate of Hospitals. The Board had a long discussion that ended in giving its approval to proceed. The SEAM methodology was followed consists of: a diagnostic phase using the qualitative approach of conducting the interviews following for a Horizontal and Vertical approach (HORIVERT) interview method. The Horizontal diagnosis involved the Vertical diagnosis involved the president of the Syndicate of hospitals with a selection of representatives of hospital directors that are not members on the Board of the syndicate [26]. The hospital directors are members of the general assembly of the syndicate (Figure 3).

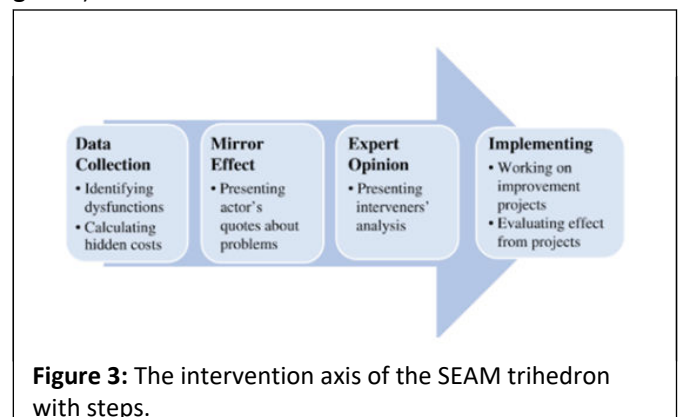


Figure 3: The intervention axis of the SEAM trihedron with steps.

20 interviews were conducted with a total of 29 hours and 30 minutes (Table 1).

Interviews	Time
Horizontal Assessment	
Syndicate of Hospitals President	120 minutes
Members of the Board of the Syndicate	9 interviews each 90 minutes
Vertical Assessment	
Hospitals directors	6 interviews each 90 minutes
Hospitals' employees for training needs assessment	5 meeting each 60 minutes

Table 1: Number of Interviews conducted.

Then, the diagnostic phase uses the qualitative approach by conducting interviews following a Horizontal and Vertical Approach (HORIVERT) interview method [26]. The results of the interviews were grouped and then assembled into thematic peripheries. Then categorization of dysfunction (Table 1) up to reaching the key areas for improvements and eventually the specific areas for improvement, or what is called as Baskets for improvement. Strategic planning received the highest ranking and hence the uppermost priority [27].

The analyzed data are fed back to the top management team in the "mirror effect." The first part of the mirror effect is the detailed feeding back of what the consultants heard. The SEAM Mirror Effect lets the client confront the organizational dysfunctions and hidden cost situation before the project planning [28]. In this way the client can spend a moderate amount on the change intervention in-order-to save a major and significant amount in achieving greater socio-economic and financial performance, improving working conditions, and developing a democratic participation of project teams (Table 2).

Dysfunction themes	No.	%
Strategic implementation	60	0.43
3 Cs	58	0.42
Integrated training	7	0.05
Policy	7	0.05
Work organization	3	0.02
Working conditions	2	0.01
Time management	1	0.01
Total	138	1

Table 2: Dysfunction themes frequency.

After conducting the mirror effect, the board of the syndicate of hospitals decided to prepare a strategic plan as a first priority. The board assigned a steering committee of the project.

43% of dysfunctions collected through interview cited strategic planning as a priority area. Some examples of these quotes are:

"Most hospitals decisions are reactive rather than proactive."

"There is no plan to sustained results and bring about benefits to members."

"There is no plan linked to a well-thought-out comprehensive health system that depends on partnership and coordination to achieve integration in services and thus to raise the quality of services."

Results

Road map of the strategic plan

The strategic plan is an important basket. This basket was managed by the director of the syndicate, the Secretary and three board members. The strategic plan was approved for execution by the board of the syndicate [29]. The road map for the strategic plan for the Syndicate of hospitals followed the map in Figure 4.



Figure 4: Map of strategic planning.

The Strategic planning started with assessing the internal environment using the PRIMO-F tool. This tool looks at the strengths and weaknesses of the syndicate and health care system delivery by hospitals. The assessment focuses on the following dimensions: People, resources, and ideas/ innovation, marketing, operations and finance. The PESTLE methodology assesses the external environment. It is particularly important for discovering opportunities and threats. PESTLE analysis is a review of an institution's environmental stimuli with the purpose of using this information to guide strategic decision-making. It looks at six aspects: Political a economic, sociological, technological, legal, and environmental factors [30].

A SWOT analysis was derived from the Primo-F and Pestle analysis.

- The strategic goals identified by the syndicate are
- Improve image of hospitals.
- Contribute health policies drafting

- Strengthen bond between Syndicate and hospitals
- Study cost of healthcare services
- Emphasize quality measurement
- Continuously develop human resources.
- Develop database of hospitals
- Enhancing healthcare tourism in Lebanon
- Modernize legislations and regulations.
- Participate in setting laws and execution plans.

These results show the beginning of streamlining the activities of the activities syndicate of hospitals through a clear vision and mission (Table 3).

Goal No.	Indicator	Frequency of Measurement	Result
One	%of Execution of the plan	Every months	6 0.7
Two	%of policies drafted	Every months	6 0.3
Three	%of membership fees paid to the Syndicate	Every months	6 0.98
Four	% of studies achieved	Every months	6 1
Five	% of quality measure developed	Every months	6 0.5
Six	% of training executed / planned	Every months	6 1
Seven	% of hospitals responding to data collection	Every 3 years	Due date 2020
Eight	% increase in foreign patients	Every year	Not done
Nine	% of laws studied	Every months	6 1
Ten	% of laws studied versus planned	Every year	0.9

Table 3: Each goal has its relative indicator and frequency to monitoring achievement. After 2 years, the results came as mentioned.

Discussion

It was obvious that the syndicate was losing much efforts by the absence of a strategic plan, that's why it the board do not

have an approved one. The preparation and endorsement of the strategic plan has led to goals-bound activities that will save energy and accomplish meaningful results. For this reason, all hypotheses are considered validated.

The financial impact for private hospitals was additional revenue for private hospitals amounting for \$ 2,227,368/year. In addition, the delayed bills from ISF summing up to \$60,000,000 were scheduled for payment [31-33].

In short, SEAM intervention has helped the syndicate and private hospitals to accomplish a win-win situation.

Conclusion

Limitations of the research

- The economic situation hinders fair financial negotiation with guarantors. Shortage of time: Many indicators were not evaluated because their timelines is not reached yet
- Difficulties encountered during training of employees on SEAM tools
- Unfamiliarity of the board members with the template provided by ISEOR for strategic planning led them to take a decision to abandon this form and use the one they are accustomed to.
- The case of the Lebanese healthcare system is unique in the world. It is difficult to compare with other countries and benchmark.
- It was not possible to assess the competency of all staff in Lebanese hospitals in a very short time.

Future perspectives

In March 28, 2018, a new board of the syndicate was elected. The executive committee members remained the including the Secretary of the board. The board looked at the results of evaluation of the different projects and decided the following:

- Review the vision, mission and goals of the syndicate
- Review the strategic plan
- Consider the benefits of the cooperation to modify the rules of the game
- Improve technological connection the internet
- Continue on calculating hidden costs yearly

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