

## ORGANISATION CONCEPT IN RELATION TO HOSPITALS

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**Purpose:** analysis of the diversity of organization typologies concerning hospitals.

**Design/methodology/approach:** to achieve the objective, a critical analysis of the Polish literature was carried out due to the specificity of hospitality in the conditions of the Polish economy. A method of analysis and logical construction was used. The work was divided into four areas, the first relating to praxeology, the second to typology, and the third indicating the possibilities of classifying the hospital according to the chosen typology. Finally, selected aspects of hospitals' activities affecting their uniqueness as organizations and the possibility of classification were detailed.

**Findings:** It isn't easy to find a clear place for hospitals in some organization classifications. At the same time, the multitude of categories makes it possible to find the right one. The diversity and multifaceted nature of the organization's variety allow research to be carried out from different viewpoints, making hospitals an interesting research object.

**Originality/value:** a review article, from the primary literature, to refer to the praxeology and typology of organizations.

**Keywords:** hospital, healthcare, organization.

**Category of the paper:** a literature review.

### 1. Introduction

The term organization appears in many, almost all, areas of life and science. The term is used in popular and scientific literature and occurs in an ordinary sense. The great diversity in the word 'organization' has resulted in different meanings being attributed to it. The variation and ambiguity have resulted in many definitions of the term today concerning other aspects of doing business. The organization is derived from the Greek organon or the Latin organum/organisatio (Bielski, 1997). In the former, organization means a tool, an organ, in the latter, it means a system (Krzakiewicz, 1994). The range between the etymologies of the word organization makes it ambiguous and used in various science disciplines, for example,

in management, sociology, and psychology. Given the above, this paper aims to present the problem of typological ambiguity in hospitals.

## 2. The place of hospitals from praxeology to organizational typology

The popular approach to the organization in Polish literature comes from praxeology, whose founder was Tadeusz Kotarbiński. He stated that an organization is "a certain kind of totality by the relation of its elements to it, namely such a totality, the components of which contribute to the whole" (Kotarbiński, 1969). Formulation organization is the activity of organizing or the complex arrangement of an object developed due to this activity, a system of its internal connections, or an object organized in this way. In praxeology, there are three approaches to the term organization (Ciekanowski et al., 2018; Janus, 2022):

- factual, in which an organization is an entity, a thing made up of interrelated parts or a particular discrete whole with specific characteristics. In this view, the emphasis is on the complex, organized structure that characterizes an organization. The organization is related to the term institution;
- activity-based, in which organization is the process of building or designing a complex thing. This approach depicts a sequence of successive activities that ultimately lead to the realization of a set objective. Attention is drawn here to the process that creates the organization, emphasizing the temporal structure. The concept of organization in the activity-based sense is synonymous with the idea of organizing;
- attributive, in which an organization is a set of typical characteristics for organized things. In this sense, an attribute is a characteristic that gives information about how a composite of many interrelated elements works. A synonym of the attributional view of the organization is organizational structure, and the organization itself is understood here on par with the concept of organization.

The praxeological approach can also be translated into different types of organizations. Many typologies of organizations can be found in the literature, formulated based on different criteria. Examples of criteria for dividing organizations may include (Puchalski, 2008):

- the nature of the organization's environment,
- the technology used,
- characteristics of the organization,
- features of the organizational structure,
- priority of use of the organization.

In classifying organizations by their future role/purpose, six types can be distinguished, i.e. (Puchalski, 2008; Ścibiorek, 2014):

- economic organizations - profit-oriented (e.g., commercial companies),
- public service organizations - nonprofit or quasi-nonprofit organizations (e.g., schools),
- administrative organizations - non-private organizations serving the public (e.g., local government units),
- military and police organizations - serving the security of the state and citizens (e.g., the army),
- social organizations - acting to ensure social order and order (e.g., trade unions),
- religious organizations - acting on behalf of religious communities and cultural formations (e.g., religious associations).

It is assumed that the types of organizations are disjoint in the classification adopted. Concerning hospitals, the above division of organizations do not allow a hospital to be classified into a particular kind of organization. For example, hospitals may provide health services under general health insurance. Thus, the patient does not directly bear the costs associated with the treatment. In that case, the hospital could be considered a nonprofit organization. Another hospital may operate in the medical services market as a commercial company, provide its services on a commercial basis and have a private owner, in which case the hospital would be a business organization. The qualification of a hospital to a specific type of organization is also hampered by the fact that current public hospitals pursue both social and economic objectives (Cholewa-Wiktor et al., 2020), which the "public owner influences", the turnover of public funds and the adopted legal form of operation as a commercial company.

A. Etzioni proposed authority as a criterion for division, defining the type of relationship between people and the organization. Power imposes a certain subordination on the participants in an organization, basing the cohesion of the entity on this (Bielski, 2004). Based on the criterion mentioned above, it is possible to distinguish three types of organization, i.e. (Bielski, 2004; Bąk, 2018):

- coercive organizations - in this organization, power is based on coercion, and its "participants" do not identify with it, often membership in the organization does not depend on human will (e.g., prison),
- utilitarian organizations - power is based on the ability to dispose of resources for rewards, the degree to which participants' needs are met influences commitment to the organization (e.g., industrial enterprises),
- cultural/normative organizations - power derives from people's morals and beliefs (e.g., church).

In the above view, a hospital can be considered a practical organization, assuming that there are incentive mechanisms within it that it can freely dispose of. However, if one believes that a hospital does not have to be profit-oriented (one of the fundamental distinguishing features of

a social economy entity (Hejbudzki, 2018)) and that its founding body can be a church, can it not indirectly be considered as a normative organization?

In the systems view, an organization is considered a collection of interrelated elements that together form a functioning whole (Zankovsky et al., 2019). In the classification according to the economical category D. Katz and R.I. Kahn distinguished four types of organizations, i.e. (Fryca, 2007):

- productive (economic) - responsible for providing goods and services,
- integrative - act to maintain social order, responsible for the transmission of generally accepted social norms and values (e.g., school),
- adaptive - lead to social and economic development as a result of scientific and educational activities (e.g., universities),
- political - are responsible for protecting public interests; the state is cited as an example of a political organization (Kołodziejka, 2018; Prońko et al., 2017), which through the exercise of power, can guide society.

In the above view, a hospital can be classified as both an adaptive organization (clinic) and an integrating organization, among other things, as an organization that cares for the health of society.

It can be said with certainty that public hospitals belong to the group of non-governmental organizations (NGOs) with social and non-distributive profit objectives. NGOs operate based on the principles of the market economy and are now becoming increasingly important. In the literature, the term nonprofit organizations are often used interchangeably with the concept of NGOs. The former draws attention to the relationship between the organization and the public sector, while the latter emphasizes the opposition to the private sector. The translation of the term nonprofit as a not-for-profit is standard in the literature. Nowadays, this understanding of nonprofit organizations is widely criticized because it erroneously indicates that they cannot generate profit (Limański et al., 2007). Here it should be emphasized that nonprofit organizations can make a profit and should be managed like other organizations, i.e., efficiently.

One international classification of NGOs is The National Council for Voluntary Organisations. The area of activity of the organization is taken as the main criterion for the division; concerning hospitals, the classification distinguishes organizations whose area of activity focuses on (Sergeant, 2004):

- education and research - the scope of activities includes administration, programming, service, and support of teaching,
- social service and social services - activities may concern the care of children, young people, the elderly, and the disabled, or material support,
- health care - the organizational activities concern administration, implementation of health services, and ad hoc services in the health area.

The classification presented includes the place of hospitals among other NGOs. Since some hospitals may carry out teaching or research activities, they will do the same activities as organizations focused on education and research.

In Poland, NGOs have been differentiated according to the criterion of activity. The Act of 24 April 2004 divides NGOs according to the areas of action (the last update of the Act took place in 2022). For example, the Act on Public Benefit Activity and Volunteerism distinguishes the area of:

- social assistance,
- charitable activity,
- health protection and promotion,
- activities for the disabled,
- science, higher education, education, upbringing, etc.

The Act lists 33 areas where non-governmental organizations operate, thereby defining the place of hospitals and other healthcare institutions in the system. As in the case of the previously cited typologies, hospitals carrying out teaching, research, or having a treatment and care facility (ZOL) in their organizational structure will operate in several different areas simultaneously.

However, many authors draw attention to other organization characteristics than their area of operation. Mostly they point to the economic aspect. H. Hansmann, an American researcher, classified NGOs according to the criterion of the origin of income and the method of control. According to the first criterion, he distinguished between organizations living from grants and commercial organizations (Hansmann, 1987). The second criterion distinguishes between community-based (self-help) organizations, whose activities are directed at the organization's members, and entrepreneurial organizations, where independent bodies exercise control. As a result, the typology cited above specifies four types of NGOs: grant-making, commercial, community, and entrepreneurial. The first division fully satisfies the capture of hospitals in the health sector, dividing them into public and commercial facilities. In the second view, the division of hospitals is not apparent; it seems more appropriate here to treat hospitals as entrepreneurial organizations since their activities are constantly controlled by internal and external bodies expressly set up for this purpose.

### 3. Summary

Hospitals are undoubtedly organizations and should be treated as organizations. The diversity and multifaceted nature of the classification of organizations allow research to be carried out from different points of view. However, it should not be forgotten that industrial organizations are distinguished by the specificity of their functioning in the environment and

by the difference in their management. S.M. Shortell and A.D. Kaluzny point to such differences as:

- the difficulty of standardizing and measuring the results of work,
- the complex and highly differentiated nature of the work,
- the immediacy of action,
- the absence or low tolerance of error and ambiguity,
- the independence of the activities performed,
- the high degree of coordination of activities, efforts, and tasks between different groups of experts,
- the increased specialization of staff,
- the fact that the loyalty of the members of the various professional groups to each other is given priority over allegiance to the organization,
- the provision of services and the generation of expenses mainly by medical staff (especially doctors),
- lack of effective control of medical staff in organizational and managerial terms,
- the existence of dual subordination (clinical and administrative).

The above list can immediately be supplemented by the mixing of public and private financial flows (Saryusz-Wolska et al., 2013) or the different legal regulations governing the operation of hospitals (Ziemba et al., 2019).

Another distinguishing feature of hospitals compared to other organizations is the services they provide, for which constant demand affects their availability (Rabiej, 2020). The overriding value with which medical activity is associated is health, which occupies one of the most important places among the matters relevant to society (Zapłata et al., 2003). The product offered to the patient by the hospital is the health services performed, which are part of the health care services. Medical services are a series of activities of an intangible nature and are committed to ensuring health. It should be noted that the patient is not only the service recipient but also its subject which influences the course and outcome of the service process (Krot, 2003). The services offered by the hospital are highly individualized and require the patient's active participation in the treatment (Bukowska-Piestrzyńska, 2007). The unique nature of medical services is linked to the specialized knowledge and, thus, high qualifications of the staff (Stewart, 1998).

The unique nature of medical services is also due to the special role of medical staff who, in performing their duties, determine another person's health and the quality of the services provided (Krot, 2008). The hospital's team can be divided into core business staff, technical, administrative, and economic staff, and economic and service staff (Erfurt, 2002).

Given the above, it can be concluded that hospitals are organizations with broad research potential. The research work carried out in the hospitality field can be differentiated according to the different types of organizations and analyzed through the prism of their characteristics.

Due to the specific nature of their business, which is characterized, among other things, by the need for constant readiness to provide round-the-clock patient care or the unilateral payment of fees by the primary payer (Hass-Symotiuk, 2011), hospitals represent an unlimited potential for research opportunities.

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