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MASTER'S THESIS

**HUMAN RESOURCE MANAGEMENT IN A PUBLIC HOSPITAL: A
COMPARATIVE ANALYSIS OF BOSNIA AND HERZGOVINA AND USA PUBLIC
HOSPITALS**

Sarajevo, October 2014

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AUTHORSHIP STATEMENT

The undersigned Naida Hundur a student at the University of Ljubljana, Faculty of Economics, (hereafter: FELU), declare that I am the author of the master's thesis entitled "Human resource management in a public hospital: A comparative analysis of the Bosnia and Herzegovina and the USA public hospitals", written under supervision of prof. Nada Zupan.

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TABLE OF CONTENTS

INTRODUCTION.....	1
1 HUMAN RESOURCE MANAGEMENT	3
1.1 Definition of Human Resource Management.....	3
1.2 Characteristics of effective HRM and HRM delivery system.....	8
1.3 Human Resource Management activities	9
1.4 Organization of Human Resource Management functions	14
1.4.1 Strategic HRM.....	Error! Bookmark not defined.
1.4.2 Resources as a basis of competitive advantage	18
1.5 HRM in hospitals	19
1.5.1 HRM in health sector	20
1.5.2 Characteristics of HR activities in health sector	23
1.5.4 Reason for specific HRM design in health sector	26
1.5.5 Top 10 Strategic Initiatives for Hospitals in 2013	28
2 METHODOLOGY OF RESEARCH.....	30
2.1 Data collection through questionnaires	31
2.2 Public hospitals that participated in research	32
2.2.1 Public hospitals in Bosnia and Herzegovina	32
2.2.2 Public hospital in USA, Florida	35
3 RESULTS OF RESEARCH.....	38
4 DISCUSSION AND RECOMMENDATIONS	46
CONCLUSION	49
REFERENCE LIST	
APPENDIX	

INTRODUCTION

It is known through years, decades, that hospital is a place where you are supposed to feel safe and taken care of, despite any possible ailments. But we are all witnesses that the times have changed along with the rules, laws, doctors, places and the criteria of services. In that time hospital services have changed a lot. New ways of healing have been invented, new approaches have been found, new technologies that make surgeries much safer and easier to do. All that has been said has much positive sides but there are also negative sides. One of them is cost of service, it has grown to a level that a lot of people cannot afford it, since economic crises made a huge changes. The business has become profitable, and even more if there are “few sides to play it on” (doctor doing business on more sides – private, in two hospitals, on few universities, sometimes even out of the county), so there are not always available and cannot be approached always.

It is believed that hospital is a “second home” when facing health issues needing special care. It is a place where everyone gets needed health attention and feels secure and welcome, or is it? Theoretically it is, but it varies in practice, from one place to another, depending on hospitals organizational structure and human resource management (hereinafter: HRM) which affect employee abilities and behavior. Organizational structure refers to levels of management within a hospital that allow efficient management of hospital departments (The Governance Institute, 2009). Two critical elements that define service strategy for high-contact service organizations are human resources (here in after: HR) and service delivery systems (Goldstine, 2003). Strategic management of HR in healthcare is important in delivering high-quality patient care (Khatri, 2006) and it is an important factor that affects the financial performance and viability of healthcare organizations.

The function of HRM is to bring forth leadership and expertise in recruitment, training, motivation, management and development of employees for the sake of bringing our optimum capabilities (Nadler & Wiggs, 1986). For recruiting and retaining HR in hospitals there is a need for strategies developed by HR managers to be sound and proven. Human Resources Management (hereinafter: HRM) is essential for hospitals which want to be able to deliver safe care and quality. HR's role is critical in building an adaptive, learning culture with the capacity for rapid change by creating right values and behaviors in healthcare workers (Anson 2000; Vestal, Fralix, & Spreier, 1997). The lack of incentives, poor utilization of current staff in addition to absence of proper leadership is most prominent challenge to HRM in hospitals which hinders the process of effective recruitment and retention (Buchan, 2004). As hospital managers begin to occupy pivotal positions within health systems, it is crucial that we endow them with appropriate and relevant skills to ensure that they perform their functions efficiently and effectively. The role of HR managers in health care organizations (hereinafter: HCOs) and those who combine the role of HR managers with other

responsibilities should not be underestimated, if we take into account the recruitment and retention reality of the health workforce in the twenty-first century. Joint and coordinated HRM intercession can experience regular and continued improvements in organizational performance as against disjoint or uncoordinated intercessions (Buchan, 2004).

Bosnia and Herzegovina has adopted health standards but very few of them are being applied in everyday practice. Lack of proper leadership, absence of HRM policies and poor organization can be seen in lower quality and performance of hospitals and with high staff turnover. These are only some of the reasons why the comparative analysis is needed. By comparison we can see what the right ways of using HRM practices are and which is the most frequently used organizational structure that gives best results. This master thesis will try to give an insight to the public hospitals HRM, to show their impact on the hospitals business and health organization in general. Research results, done by now, show that current HR systems and practices in healthcare allow approximately 60%-70% capacity use of their workforce at best (Bach, 2001; Buchan, 2004).

Since this master's thesis is planned to be done as a comparative analysis of public hospitals in B&H and USA, we will analyze a few best hospitals in each state. Research conducted in the USA will be focused on the region of West Florida. West Florida contains some of the most famous and most successful hospitals. They are equipped with the latest medical inventions and many other conveniences concerning the patient approach and benefits. The aim is to identify best practices with regard to human resource management and based on these best practices a model of effective human resource management for B&H public hospitals will be proposed according to the B&H health standards. Objectives of the thesis are:

- To analyze the theoretical background of the HRM;
- To analyze effective utilization of human resource management in hospitals;
- To investigate the ways public hospital use HRM and which are the characteristic of both;
- To identify best practices with regard to HRM in public hospitals;
- To propose a model of effective HRM in public hospitals in B&H.

This thesis is divided into three parts including definition of human resource management and characteristics, organization activities, its role in hospital as well as challenges for HRM in hospitals. Second part refers to public hospitals from Bosnia and Herzegovina and USA, and their comparative analysis. In this part we can see the differences between governing hospitals. It shows its positive and negative sides that are presented and on which way it should be done for it to reach its highest scale. Conclusion is made with use of data from this master thesis and its research and is made independently. On the end of this work appendixes and reference lists are present and are demonstrating the data collected during investigation part of this work.

1 HUMAN RESOURCE MANAGEMENT

There are lots of definitions regarding human resource management including coordination, management of personnel in organizations, management of financial aspect and many others. Nevertheless, beside its definitions and its use HRM is not yet accepted by administration and workers neither by directors of many institutions. It is been understood and seen as an unnecessary cost, a cost that brings no improvements to organization. This opinion is wrong. Next part of the paper will observe different definitions and purpose of HRM in order to prove it.

1.1 Definition of Human Resource Management

“HRM is designed to provide and coordinate activities of organization” (Byars & Rue, 1997, p. 4). Human resource management is a modern term for what has traditionally been referred to as personal administration or personal management.

The society has identified six major functions for Human Resource Management (Weingarden, 2013):

- a) The planning recruitment and selection;
- b) Human resource development;
- c) Compensation and benefits;
- d) Safety and health;
- e) Employee and labor relations;
- f) HR research.

Human resource management is defined also as “the ability of doing business with people”. (Šehić & Rahimić, 2006, p. 161). It can be seen in human resource concept and Harvard model shown on Figure 1. Interest groups represent the sides in organization that have benefits from organizations better effectiveness and better work and relationships in it. That group is mainly consisted of owners, management, employees, syndicate, government, society etc. the role of human resource management based on this model consists of managing the influence of workers, maintaining the HR flow, conducting the entrance, inter flow and exit flow, ensure pay-check system goes in accordance to rules and managing and maintaining working system flow.

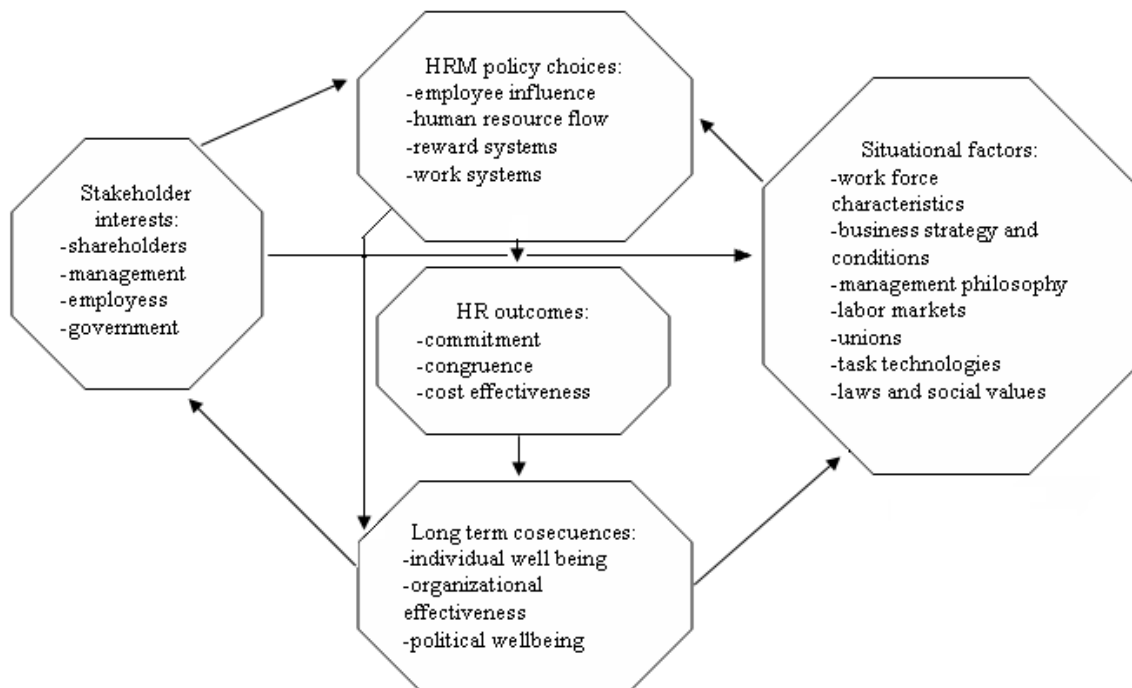
Main aspects of human resource management are:

- a) Influence of employees;

- b) Human resource flow;
- c) Payment and reward systems;
- d) Working systems.

HR functions are mostly performed by owner or by operating manager, in small organizations, and he makes all decisions regarding organizations business and financial flow. Medium size and large organizations use HR generalists (person who devotes a majority of working time to human resource issues, but do not specialize in any specific areas of HRM). Person who is specially trained in on or more fields of human resource management is HR specialist, and is in addition to one or more HR generalists department. The primary HR department goal is to provide support to operating managers on all human resource levels and matters.

Figure 1. The Harvard Framework



Source: M. Beer, B. Spector, P.R. Lawrence, Q. D. Mills, & R. E. Walton, *Managing Human Assets*, 1984.

When goal of organization is accomplished it results from close coordination between the HR department and the operating managers. There are three types of human resource department (Suttle, n.d.):

- a) Specific services (their main role is maintaining employee records, handling initial phases of employee orientation);

- b) Advice (including resolving disciplinary matters, and ensuring equal opportunities);
- c) Coordination (performance appraisals, compensation matters).

Business complexity of organization needs to be understood by its employees in accordance to reach its excellence.

One of the human resource management challenges are also structural changes of organization, as following (Hammer & Champy, 1993, p. 183):

- a) Downsizing – laying off unnecessary employments;
- b) Outsourcing – improving staff from outdoor resources (from other firms);
- c) Rightsizing - continuous and proactive assessment of mission-critical work and staff requirements;
- d) Reengineering- fundamental and radical redesign of business processes for achieving improvements in cost, quality, service and speed.

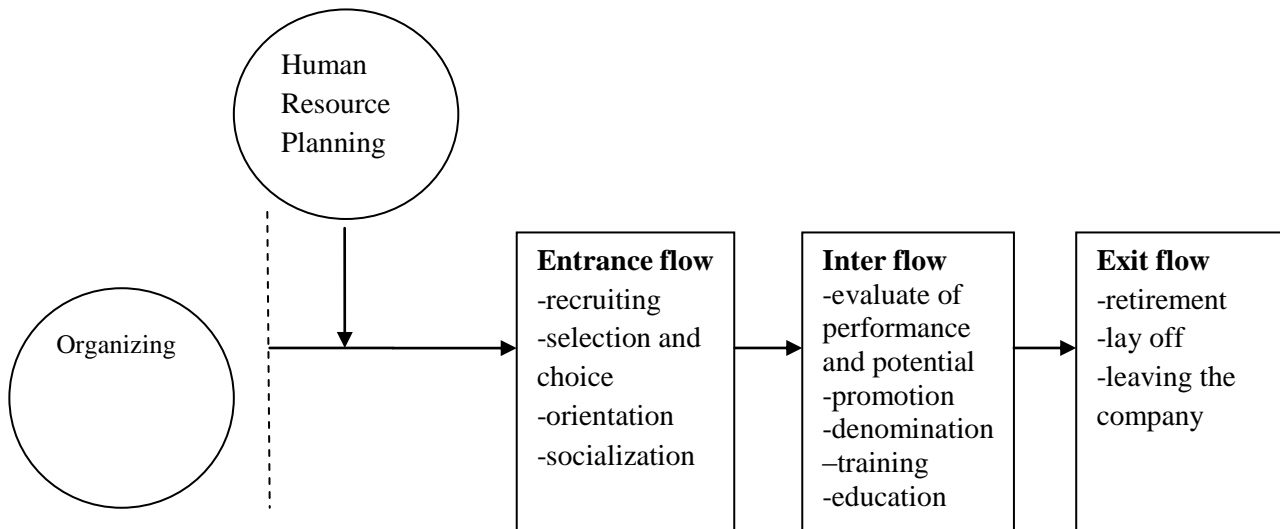
Beside all named there are also technological and managerial changes that influence management effectiveness and efficiency. Significant impact on today's HRM also has self-management teams and empowerment. Empowerment is a form of decentralization that involves giving subordinates substantial authority to make decision (Leslie & Byars, 1997). This way manager expresses confidence in ability of employees to perform at high levels.

When taking into consideration human resources there is, as in every other part of every organization, a flow or one order on which it functions. As for human resource flow there are three flows: entrance, inter and exit flow. In continuation of text, Figure 2 shows how human resource flow look like and how it operates.

Entrance flow is present from the moment when the need for filling particular working spot is determined, and that filling should be done with outsourcing. Activities included in it are recruiting, selection and choice (interview), orientation and socialization. Most common interviews used in this process are: individual, sequenced, panel-interview and group interview.

Orientation helps new employees to understand the goals of firm, to get to know other employees and to find out more about what it is expected from them on their new working place. Socialization presents getting new working skills for work assignments on working place, behavior appropriate for new working place, adopting of norms and values of the organization.

Figure 2. The flow of human resources



Source: Rahimić Z., *Menadžment ljudskih resursa (Human resource management)*, 2010, p. 19.

“Inter flow starts when employee is capable to do the tasks and adopts himself to norms and organizational values. It contains all HRM activities that concern employees and members of specific organization. Those activities are: evaluation of employee successfulness and their potentials, inter replacement, employee promotion, replacement, career development and employee development through trainings.” (Carrel, Ebert, & Hatfield, 1995, p. 501). Flow of exit is determination of working relations, e.g. leaving the organization or faze of flow of exit. The ways how it can be done, and is usually done are: discharge (employee incompetence, changes in organizational structures), retirement, leaving the organization by freewill, leaving organization from some other reasons.

For human resource manager, to become more familiar with business involved, it needs to know companies industry for starters, strategy and business plan, it needs to be familiar with business needs and to be communicative, especially with the line people, and to know about inter and external company relations.

Besides focusing on the organizational concern for the relationship between HRM and performance, the most important part of every organization are employees. It is very important to have qualified employees at right places. To be sure in decision made regarding employees there are several evaluation processes that can be done. The one gaining the more realistic and sure results is called employee evaluation process and is described in continuation of the text.

Through this process we can come to some reasonable results and results that can be measured, regarding the work of employees. As such, this evaluation can help in making

decisions regarding the need for layoffs or for new employments. This evaluation process can be done through two separate activities, which are (Capko, 2003):

- Evaluation of performance -employee success in doing some concrete working assignments;
- Evaluation of real employee potentials.

Steps of evaluation processes are: determination of business and successfulness criteria, evaluation of success and feedback.

Methods of evaluation of working successfulness are: comparison method, evaluation steps and check-lists.

It is known that managers have a big influence on the company and every part of it. This is what kind of impact HR managers have on company profits (Holton, 2011):

- a) increasing productivity during a normal day by reducing unnecessary overtime expenses;
- b) reducing money spent for time not worked;
- c) estimating waste time by employees through sound job design;
- d) minimizing employee turnover and unemployment benefit cost;
- e) install and monitor effective safety and health programs;
- f) properly train and develop all employees;
- g) decrease costly material waste;
- h) avoid overstaffing by hiring the best people available at every level;
- i) programs to foster a motivational climate for employees by maintaining a competitive pay practices and benefits;
- j) encourage employees to submit ideas for increasing productivity and reducing costs.

Before getting more into this subject, it is important to know HR needs, for it is the HR needs that determine organizational success. Methods being used to forecast the needs of HR are (Dugan T., n.d.):

- a) Managerial estimates – estimates made for future staffing needs;
- b) Delphi technique – presenting estimates by a group of experts for revising their positions of forecasts until consensus emerge;
- c) Skills inventory – consolidates information about the organizations HR (basic information of employees-list of names, skills and characteristics);
- d) Management inventory – a brief of manager total assessment based on past performance, strengths, weaknesses and potential for advancement.

Major reasons for formal employment planning are achieving effective and efficient use of people at work, satisfied and better developed employees, equal employment opportunity planning.

1.2 Characteristics of effective HRM and HRM delivery system

There are many ways that can be used to make human resource management and its delivery system better. Nevertheless, regarding the topic of research eight characteristics point out in every way. Eight characteristics of effective HRM and its delivery system are (Infoblum, 2013):

1. Administrative and strategic HRM are intertwined.

When administrative and strategic HRM are intertwined for HRM effectiveness it needs to be and to have better results than expected, administrative and strategic overlay needs to be integrated to processes data, business rules, user experience and analytics and it needs to have delivery system's core software platform integrated.

These are few of the reasons why that is the case (Enterpriseirregulars, 2013):

- a) The foundation of administrative and strategic HRM are the same;
- b) Two-way communication with different data structures is highly costly and fragile;
- c) The same users interact with strategic and administrative HRM processes;
- d) Effective administrative HRM brings better business outcomes.

Talent management processes are inherently integrated;

2. Effective HRM is about driving business outcomes.

On this level driving business outcomes is the most important part. The organization must be focused on its positive sides and strengths to succeed.

3. Building, sustaining and deploying professional networks to achieve business outcomes.

Every company needs to be in time with changes, whether they are technical, managerial or other. Every company that takes seriously their business will encourage positive uses of social technology and react quickly and severely when a member of the workforce violates organizational policies.

4. Delivery of HRM products/services must be anywhere, everywhere, and highly mobile.

For company it is important to be as much cost-effective as it can be in every way and in every business. In this case mobile communications make it increasingly possible, cost-effective, and essential to weave HRM into the daily lives of workers.

5. All relevant business rules, content, guidance, and expertise must be embedded directly into HRM processes.

HRM service delivery must be developed to level business outcomes throughout the organization.

6. HRM delivery system needs to be prompt and exact.

HRM service delivery must be able to do enormously complex calculations and to present them “point of sale” and on time

7. All processes must be global with related service delivery.

Even when a business is still primarily domestic, everything from its cost of capital and labor costs to its transportation and risk management costs are influenced directly by global events.

1.3 Human Resource Management activities

Company is considered to be a living being that goes through changes every day. As such it has to have defined management activities that can keep it running smoothly and to upgrade it, if it is needed. As for these activities to be done, few HR functions need to work properly and constantly. Those three HR functions are HR front and back Office and HR Centers of excellence (Kates, 2008). All of them are connected and are affecting one another, plus creating a connection with employees, managers and market department for its better functioning. Every organizational structure has its own shape. Every one of them is individual and different from another no matter how much they appear to resemble, just like every organization and company is different even though they are in the same industry, have the same outcome products and process of production. They are all different, and what makes that difference is the resulting HR organizational structure.

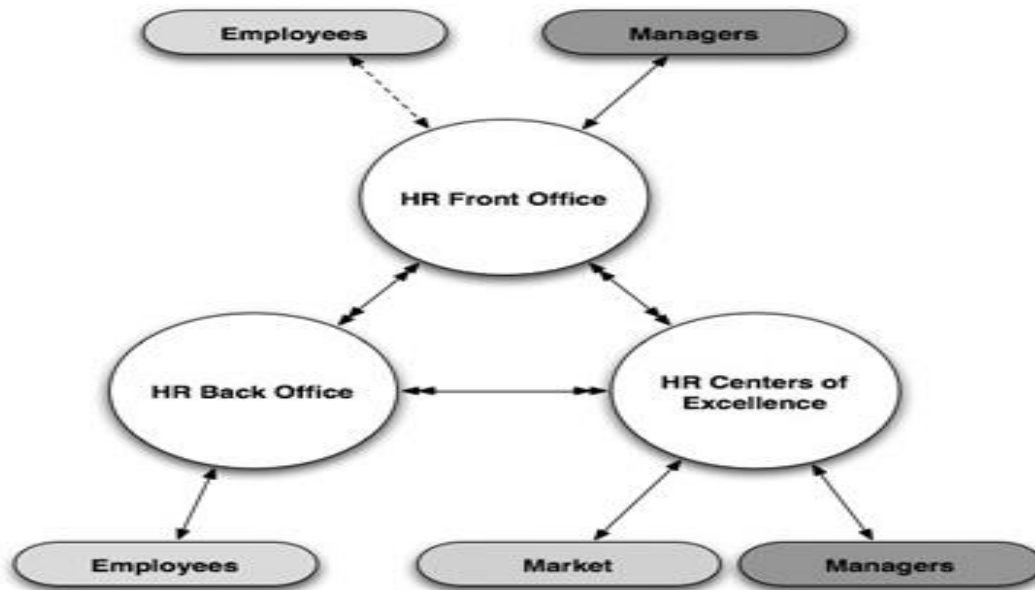
HR organizational structure is divided into three main functional areas (Distelzweig, 2014):

- HR Front Office;
- HR Back Office;
- HR Centers of Excellence.
- HR Front Office function- is considered to be a single point contact for the rest of the organization. Implementation of this concept is hard since employees that are on this position must fulfill they role as a helpful source of information. Their role is recognizing the needs of clients and to report it as a request to HR back office and HR centers of excellence.
- HR Back Office has the role to keep efficient and errorless production of the services that are offered to clients. It also makes sure that activities of HRM are fully compliant with

the legal environment. Role of HR Centers of Excellence is to maintain the competitiveness with concurrence and external world.

As it can be seen in continuation of the work, a simple sample is presented of how this organization structure is imagined to be. In this picture (Figure 3) we can see the way of connections in organization when using these three types of blocks.

Figure 3. Three big blocks of HR Functions



Source: USEP, 2012.

It is considered that a modern HRM organization implements the basic building blocks defined by HR model. Its success factor is considered to be clear and understandable definition of roles and responsibilities. Complex communication channels are set for new HR model and every employee needs to be infiltrated as soon as possible. It is ensured that none of new HR function can fail in its role and responsibilities so in that case they can cooperate smoothly. Every unit has to reach its goals and as such responsibilities must be set and defined. It is important that HR front office starts cooperating with line management, and to start looking for solutions in existing processes and procedures.

HR centers of excellence have to follow the internal communication rules and to communicate properly with HR front office. The work needed to be done for and with HR back office is flexibility and it has to be upgraded to become an important part of the HRM function, an independent one.

One of many activities to be done is also human resource planning (hereinafter: HRP) that represents an imperative to organization's success. It is used as analysis of current and future needs of organization. HRP process guides organization in areas, such as staffing, development, training, and benefits and compensation designs. HRM activities can be described as (Suttle, n.d.):

a) Organization

Human resource managers have to organize operative functions by designing structure of relationship among jobs, personnel and physical factors in such to have maximum contribution towards organizational objectives. In this way a personnel manager performs following functions:

- preparation of task force;
- allocation of work to individuals;
- integration of efforts of the task force;
- coordination of the work of individual with that of the department.

b) Staffing

It is believed that HR departments main role is staffing, nothing else. By staffing it is considered personnel planning. For that case it is used as staff for the year to come. Strategic plan of company is used as a resource for information.

c) Directing

It refers to initiation of organized action and stimulating people to work. Personnel manager directs activities of people in organization to get its functions perform properly. A personnel manager guides and motivates staff of organization to follow the path for organizational success.

d) Training and Development

Training leads to excellence and after that the development comes. HR departments need to create training and development plans for employees. It needs to be conducted in a way that fits the organization needs (financially) and to have positive changes on employee results. Teaching current employees new skills is considered as an aspect of development. If organization is planning to have better results and bigger demand it needs to invest in employees and their trainings. The better the employee work, the better results, the better company.

e) Career Development

Career development is a must for every manager, for what is qualified leader if not a developed one. Especially in companies who thrive to its culmination and more. In this case it

is best for employees to have developed plans in career road maps and plans that incorporate both short-term and long-term goals.

f) Record Keeping and Personnel Planning and Evaluation

Personnel manager collects and maintains information regarding the staff of organization. It is essential for every organization because it assists management in decision making as in promotions. Under personnel planning and evaluation different type of activities are evaluated such as personnel policy of organization and practices personnel audit, evaluation of performance, survey and performance appraisal.

g) Down sizing

Downsizing occurs when company is overstaffed and when confronted with a crisis. If there is a need for downsizing it is recommended to have prepared all documentation in advance and process to ensure that everything is going how it is supposed to go and complies with all legal requirements, by planning. A loss of knowledge and resources can be prevented, and later on used for company progress.

h) Competition

This factor is changing and unpredictable. With growth of market organization can be the lead one day and other day in ruins. Regarding human resources competition is seen in a way to get the best qualified worker for defined working place, in big and in small organizations too. In this case human resources should develop programs and incentives to retain key employees.

i) Employee Relations

There is some kind of employee interaction in every organization, whether they are impacted with internal policies and procedures or not everyone is obligated to manage it. It is very important that these relations are well developed and nourished, for organization with good internal communication and relations is a healthy one. For it to be complete there must be developed appropriate trainings and development. It is also a must to keep records of employees, in a way to know if there is a lack or a over-plus of personnel, if there is a potential employee for retirement, or for promotion. External influences, political factors and organizational culture all influence the amount of grievances and complaints HR must respond to.

There are many explanations of what are tasks of HR activities. Some of these are: recruitment management, workforce planning, induction management, training management, attendance management, overtime management, pay slip distribution, seedtime management, employee information/skill management, employee survey, exit interviews and process, health and safety. When it comes to HR we can not only look at one side of the story (activities of HR), there is a need to take a wider look at the whole situation. Besides all

factors that influence HR and HR activities that are done by managers, HRM is also affected by external factors. All activities mentioned earlier are, some way, determined by lots of factors, but most important ones are external factors. In external factors, the four mostly mentioned are (Varun, 2014):

Government Regulations – human resources department is under pressure to stay within the law. Regulations influence every process of HR department, including hiring, training, compensation, termination, and much more. Without adhering to such regulations a company can be fined extensively which could cause the company to shut down. (Friedman, 2013)

Economic Conditions – Not only does it affect talent pool, but it might affect ability to hire anyone at all. One of the biggest ways to prepare for uncertain economic conditions is to, besides knowing what's happening in the world around you, but also to create a plan for economic downturn.

Technological Advancements – This is considered to be external influence because of new technologies introduced, HR department can start looking how to downsize costs and look for ways to save money. A job that used to take 2-4 people could be cut to one employee.

Workforce Demographics – Human resources department must look for ways to attract new set of candidates. They must hire in a different way and offer different types of compensation packages that are more suitable for new employees. At the same time, they must offer a work environment conducive to how new employees work.

In every organization beside HR management and its procedures, there is a need for HR planning if we take in consideration the need for careful and employee recruitment and employment procedure. In continuation of text there are some HRP definitions for better understanding of the HRP role.

“Human resource planning (hereinafter: HRP) is a process of “getting the right number of qualified people into the right job at the right time.” (Jain, 2005, p.117) It is based on system to match internal and external need for opening organization aspects for succeeding at making the wanted frame for organization. HRP is a “systematic assessment of future HR need and the determination of the actions that need to meet those needs.” (Uzondu C.C., 2013)

Four steps to an organization (Suttle, 2013) steps in HRP process are:

- a) Determining the impact of organization objectives on specific organization units;
- b) Determining the skills, expertise and total number of employees required to achieve the organization and departmental objectives;
- c) Determining the additional (net) human resource requirements;
- d) Developing action plans to meet the anticipated human resource needs.

Tools and techniques of HRP are: Skills inventory – inventory of employees working records and skills used or gained throughout working experience; Succession planning – planning for

future business; Organization replacement chart – chart made by functionality of employees, those who have made the least progress are to be replaced and put on lower levels to gain needed experience; Ratio-analysis; Organizational vitality index (hereinafter: OVI).

It is crucial that HR planning is recognized as an integral part of corporate planning. In that way it can back up the top management, it can influence on it's responsibilities to be centralized so it can coordinate and updated records of personnel. For its effectiveness every HR must be derived from long term and operational plans of the organization. "The success of HRP depends on how closely HR department can integrate effective people planning with the organization business planning process." (Dias, 2014) Beside all positive sides and components of HRP there are eight stumbling blocks most frequently encountered in HRP (known as HRP common pitfalls).

Those stumbling blocks are (Lievens & Chapman, 2009):

- a) The identity crisis (HR planners need to develop a strong sense of mission);
- b) Sponsorship of top management (to ensure necessary resources, visibility and corporation necessary);
- c) Coordination with other managers and HR functions (for better and more efficient improvements);
- d) Integration with organization plans (if there is no integration with organization plans there is no progress);
- e) Quantitative versus qualitative approaches (no matter the number of changes, if they are not made up to detail they are useless);
- f) Noninvolvement of operating managers (management needs to be involved for better understanding of the upcoming changes);
- g) The technique trap (used techniques are useless if they do not correspond to organization plans);
- h) Size of initial effort (it is assumed that more the effort more results are seen, in this case that is true).

1.4 Organization of Human Resource Management functions

Innovations in organizations are not only the result of better HR, it is also the result of delivering business value. With HR we can add value throughout the enterprise, by helping it achieve goals like development (that can be seen through employee recognition and business development), understanding of customers' 'business' (to see what they want and expect from service), marketing (way of presenting service), production (to meet the standards of organization and customer as well), be proactive -find solutions, environmental characteristics

(labor, politics, legislation, technology), take time to think strategically (Human resource planning, 2013).

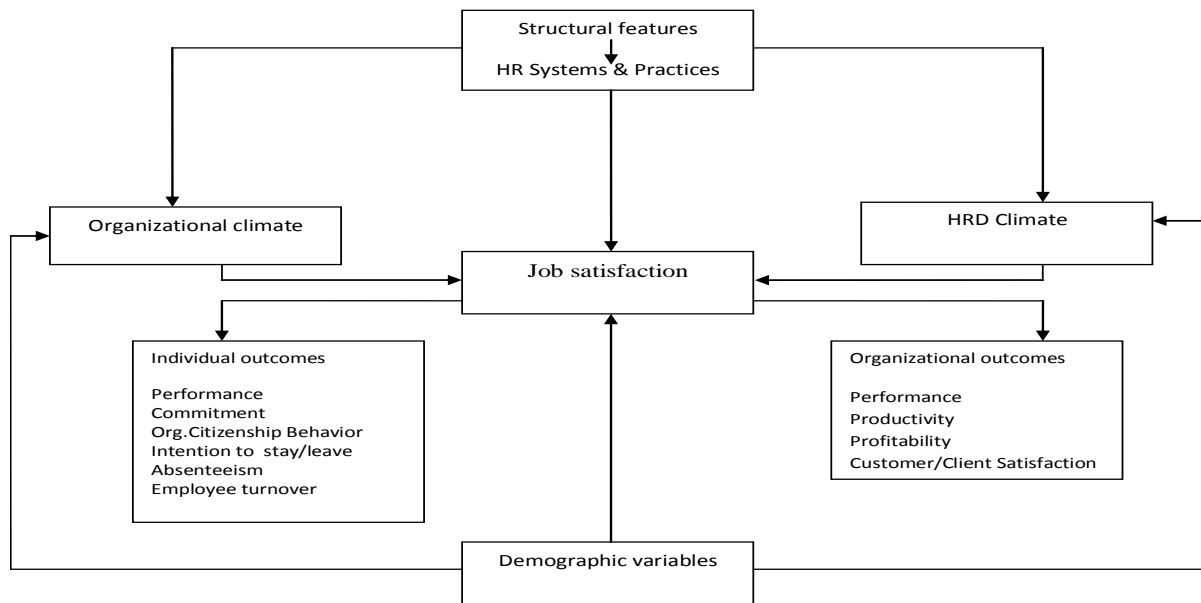
Human resource department (hereinafter: HRD) adds value to a business by ensuring the right volume of people required (Smallbusiness, 2013). This means that people get promoted by means which results in effectiveness and efficiency of job delivery. It keeps attracting best candidates by outsourcing with ensuring right employee conditions and benefits. HR professionals must be knowledge experts of external business realities before they can frame, execute, and create substantive value through even the basic of HR agendas (Zaidi, 2007).

As in many other approaches and ways for improving organization situation HR also has a few weaknesses, such as reactive, ad hoc attitude towards problems of human resources, which encounters a reject in organizations personnel; not enough knowledge neither the will to understand all aspects of HRM and short-term perspective of HRM.

The HR Organizational Structure (hereinafter: HROS) has to enable organization to work smoothly and to allow employees to operate smoothly so it can deliver consistent results over the longer period of time (SHRM, 2013). HROS is made to suit the organization needs, but it is possible to find models, that suit organization even better. Some organizational structures, besides the basic ones, consist of various parts that complement the entire organization, this way organization becomes more flexible and more approachable in services when it comes to its customers.

In continuation of the text a conceptual model has been presented as the one that is relevant for hospital organization, and as one that is relevant for this thesis (Figure 4). The decided model taken for organization structure has to deliver amount of services that is enough to fit organization and evolution of HR organizational structure. It must be fit to keep costs, provide operational excellence and to help further develop of human capital inside organization. The effort must be focused on team co-operation and optimal processes inside team. As it can be seen a conceptual model is based primary on job satisfaction. And a job satisfaction is based on factors, such as working climate, organizational climate, demographic variables and structural features and outcomes, not only organizational but also individual ones.

Figure 4. HR Organizational Structure, Systems and Practices and its Outcomes: Conceptual Model



Beer, M., Spector, B., Lawrence, P. R., Mills, Q. D., & Walton, R. E., *Managing Human Assets*, 1984

That way HR organizational structure must allow human resource employees and all of the organization to have a smooth co-operation and communication among employees, a clear definition of roles and responsibilities among team members, understandable definition for managers of processes and structure, and potential for future development of new initiatives and potential to improve current HR processes.

1.4.1 Strategic HRM

Strategic management is a tool that helps executives to identify causes of major problems in hospitals (Silow-Carroll, Alteras, & Meyer, 2007). Strategic human resource management (hereinafter: strategic HRM, or SHRM) may be regarded as an approach to the management of human resources that provides a strategic framework to support long-term business goals and outcomes. The approach is concerned with longer-term people issues and macro-concerns about structure, quality, culture, values, commitment and matching resources to future need (CIPD, 2014).

Strategic human resource management is designed to help companies to meet the needs of their employees while promoting company goals. Human resource management deals with every aspect of business that affects employees, such as hiring and firing, pay, benefits, training, and administration (Wisegeeek, 2014). When creating a human resources plan, it is important to consider what employees may want or need and what can company fulfill.

Strategy gives answers to questions where the organization wants to go and where will it arrive. It represents the activity plan that will be realized in the competitive environment in order to reach organizational goals. Objectives are defined as a condition in which organization wants to be, the state to which the company aspires, and strategies as a way to get there. Strategic management is defined as a set of decisions and activities designed to achieve the goals of organization (Balancedscorecard, 2014). It includes not only the elements of strategic planning, environmental analysis and strategy formulation, but also the implementation and control of strategies.

Five most important elements (steps) of strategic management by Cert and Peter (1990) are (a) environmental analysis (it is very important for organization to know it's market rivals. This way it can respond accordingly to demands of the market. Also it can benefit in changing market by managing organization as flexible one.); b) Guiding the organization (mission and objectives) - Every organization needs to have clear objectives and mission statement that support it. In order to achieve goals organization needs to know which path to take to accomplish it. In this step by determining real goals, guiding organization should be facilitated by guidelines that are gotten from earlier foot-path from designing the mission; c) Strategy formulation- direct approach is not always the best solution. This is where the strategy comes to first place. By correct strategy formulation many obstacles can be overcome, many unnecessary costs prevented and time gained. When strategy is formulated, next step is d) implementation of strategy. This step needs to be very carefully done, because if one of strategy steps is badly done the whole strategy can be done for nothing. By implementing strategy company can reorganize and benefit even more than though. After strategy implementation e) strategic control is next step. In this step we control what are effects of conducted strategy and does it correspond to organization. In case of its in-correspondence, designing of new strategy and implementation of the same is a must.

Strategic management is oriented to external environment and in accordance with expected changes also to environment created by organization. Strategic managers predict how that future would look for companies and then get to know people with that vision and inspire them to work towards its realization - this is actually a leadership role (Balancedscorecard, March 2014).

A key task of leader is to define the meaning of the direction of development organizations.

Characteristics of leaders (Javitch, 2009):

- 1 Good leaders have a vision of where the organization is able to go,
- 2 Leaders must possess the ability to convey the vision to other employees in the company,
- 3 The leader must be well informed,
- 4 The leader should be willing to delegate authority and at the same time must retain control over key issues.

A good leader must wisely use his power, and that means three things (Conley, 2014):

1. Build consensus for their ideas rather than imposing them and he acts as a member of the Democratic coalition rather than a director.
2. Good leaders try to avoid exposing themselves publicly detailing the strategic plans or objectives of the process, but so vigorously engage further arise when unexpected occurrences.
3. Capable leaders that try to push their ideas seem to occur as secondary to some other.

TQM means to continuously meet customer demands in terms of quality products, at affordable prices, using the potential of all employees. Method known as TQM involves quality as value for all activities within the company. The concept implies that not only managers but also workers bear the responsibility for achieving quality standards. In this context there are five steps to improve quality, by Deming (Petar, 2014):

1. Lower costs due to lower repetition work, rarely mistakes, better use of time, etc.;
2. Increase productivity as a result of an increase in quality;
3. Better quality - larger market share;
4. Survival in business;
5. More jobs.

1.4.2 Resources as a basis of competitive advantage

Definition of competitive advantage equals to ability to outperform rivals on (potential) profitability (Yip, 1994). Concept of resources occurs in different forms depending on the used ones, those are: money, people, time, equipment, know-how and others.

Resources can be classified into three categories (quod, 2014):

1. Tangible (material) - those that are easy to evaluate and often are the only resources that can be found on the balance sheet of the company: buildings, equipment, raw materials.
2. Intangible (non-material) - include company reputation, brand names, technological know-how, patents, trade names, accumulated knowledge and experience and other.
3. Organizational skills- are the factors of inputs, such as the previous resources, but it is a complex combination of resources, people, processes that company use to transform inputs into outputs.

Tangible and intangible resources can be transformed into competitive edge of companies in relation to its rivals only providing the organizational ability of companies to these resources as inputs transformed into outputs. This implies superior organizational ability, excellent product quality, innovative activity of enterprises and the responsibility to meet the needs of

customers. The primary objective of strategy is to achieve a competitive advantage. It is done primarily on the basis of existing tangible and intangible resources and existing organizational capabilities of companies whose distinctive competence make (other than that of competing firms). For organization it is necessary to build additional resources and organizational capabilities, such as development of new competence and on that basis the achievement of long-term competitive advantage.

Successful strategies at all levels simultaneously develop existing distinctive competencies and build new ones. From this attitude emerged explanation why construction of a functional strategy went from small business to a global level, and not the other way around as usual.

Reengineering is radical redesign of business processes in order to achieve its dramatic improvement in price, quality, service, and speed. In this way we want to interrupt the continuity of established rules and procedures that have been developed over a long period and as such have become an integral part of the company. Reengineering is interrupted and continuous with the mindset and focus on, what Michael Hammer, whose name is linked to the concept of reengineering, suggests reengineering principles are (Strategy-business, 2014):

1. Organize first process in accordance with objective design a rarity affairs in accordance with the objectives;
2. In accordance with a way of using the results of the process to create the process of creating these results;
3. Include information system in the actual process of producing information;
4. Geographically dispersed resource treated centralized;
5. Link parallel activities instead of integrating their results;
6. Incorporate control mechanism in the process;
7. Collect information once and at the source.

1.5 HRM in hospitals

As it will be seen in the continuation of the work, HRM system is not widely spread or it is, as such, given enough intention or respect when it comes to health sector. Due to this approach and other minor negligence there are challenges in health system that occur more often and have the tendency of becoming even more serious than they are now. The challenges of health system which are recognized as major ones are described in continuation.

1.5.1 HRM in health sector

Human resources for hospitals can be precisely described as the diverse types of medical and non-medical employees accountable for society and individual health involvement (Storey, 1992). There is a need for more effort to be set in health sector. It requires having appropriate systems and functions that need to be placed at better support health worker recruitment, deployment, retention, and motivation (Martineau & Martinez, 1997).

There are lots of motivation tools to be used when it comes to health care providers. Studies conducted on this topic show that HRM interventions triggered motivation of health care providers by (NCBI, 2013):

- creating awareness of local problems and empowerment to develop initiatives for change, and health workers seeing themselves as agents of change;
- assuring acceptance of new information on diagnosis, treatment and care;
- creating a sense of belonging and respect;
- increase income through financial incentives;
- provide opportunity for noticing improvements in quality of care.

It is not news when it comes to confusions and misunderstanding between human resource management and health sector. It is not uncommon for health reform efforts to have limited success or even results in outright failure (Johnson, 2002). Improving how health care providers are managed is the key to strengthening the services they deliver, and are central to health sector reform. Methods used to manage human resources for health can facilitate or hinder the accomplishment of core objectives and benefits of health sector reform (PAHO, 2001). There is a must in health sector when it comes to human resources which can be seen in not-understanding of sector in question, adjustment of human resource management with strategic decisions, making more adjustable and acceptable transformation and change that are needed for increasing employee commitment and competence (Human-resource-health, 2013). Nevertheless, beside resistance in health sector when it comes to human resources, it helps in improving staff performance and productivity, which contributes to organization's competitive advantage and to organizational goals. It is not enough to only identify and implement set of HR policies, it is also important to conduct them in a proper way. Buchan and Secombe (1994) have attempted to highlight some of the aspects and characteristics that make health sector unique in terms of effective HRM application in organizational setting:

1. In most countries, health care delivery is heavily politicized process with significant government control and regulation - largely because the sector is a major recipient of public and/or private expenditure.
2. The health care workforce is usually large, diverse and consists of various occupations (e.g., doctors, nurses, dentists) represented by powerful professional associations that tend to

influence the organization of work environment and methods used to manage staff. It is difficult to build effective and cohesive teams and create a culture of shared learning and teamwork across an entire organization when obvious occupational barriers and status distinctions are in place (Scott, Mannion, 2003).

3. Access to pre-service education and in-service training for health professionals is controlled by standards and entry requirements, which are sometimes determined by the professions.

4. The loyalty of health professionals, especially physicians and nurses, tends to be to their profession and their patients rather than to the employer or the organization.

In attempt to make personnel realize the role and importance of human resources, managers present organizational values to influence their behavior. It is known that best way to do so is by making values visible through their actions. Beside two system inputs of health system which are consumables and physical capital, human resource takes third place. With this information it is on us to see that there is more to human resource obligations and values than just hiring and downsizing personnel. When it comes to health sector, one of most important parts are communications. Not only in health sector, but in every other, communication is a tool for gaining competition advantage, for securing good company results and also is a sign of a “healthy organization”. For HRM to work properly and to achieve expected results it needs to establish good communication system throughout the whole organization. Communication as important part of management is a process of transmitting a message so that recipient understands it, and without it the experiences, ideas and facts could not be exchanged. Well established communication system makes easier for manager to have an access to the information required for the decision-making. Manager has to spare time to collect, analyze and store the information for decision making and day-to-day routine business. Interpersonal, intra-group and inter-group communications are essential for information to flow, ideas to be generated and experiences to be exchanged. Significance of communication is apparent from the fact that serves to four major functions within a group or organization (Walonick, 1993): a) motivation; b) control; c) emotional expression; d) information. The relevant information must flow constantly from the top to bottom and vice versa. Organization must establish communication channels among care-givers and across the continuum prioritizing the information shared and received.

There are priorities when it comes to patient-care tasks, the most important six are (Hughes, 2008): cross monitor and observe action of other teams-members to avoid errors, identifying an established protocol to be used or developing a plan to be used, communication plans to team members, assign roles and responsibility to team members, and use check-back process to verify communication. Beside all good and/or bad sides in communication there are obstacles, or barriers to communication that are essential to overcome for making

communication effective. These obstacles are personal obstacles, physical obstacles and semantic obstacles (Hall, 1998).

Personal obstacles arise from judgments, emotions and social values of people. They cause a psychological distance between people that can entirely prevent communication, filter part or cause interpretation. Physical obstacles refer to environmental factors, which prevent or reduce sending and receiving of information. They are physical distance, distracting noise and similar interferences. Semantic obstacles emerge due to language limitations. The meaning which is actually understood by one person may not be what the other intended to imply. There are some of the elements of human resources and organizational structure of hospitals that are used to improve effectiveness and efficiency in continuum (Commonwealthfund, 2013):

Personnel Assessment – When there is a need for new personnel, in some organization, it is logical to have interviews regulated in a way for it to gain new personnel. There are many ways to do that but the most common are task analysis techniques and observation, which is used to see true state of some ones professional capability. In health sector besides two mentioned also are important learning day-to-day operation of the business. With this techniques organization can see and make the right decision regarding staffing. After this recommendations are made for recruitment, or training in-house for people who may need skills enhancement.

Human Resource Function (hereinafter: HRF) – regarding HRF there are some that are crucial in health sector and can bring to better choices and decisions. In this part it has been split and reviewed in several areas such as hiring procedures/recruitment/interviewing. The first stage of process, reference checking (for delivered documentation), orientation program for new personnel, salary reviews/compensation issues in win-win situation both for employee and for organization, HR policies and procedures to be known and adopted, employee handbook for codes and ethics, job descriptions, training descriptions, final interviews, assessments of new employee skills, mentoring and supervisory.

Implement Organizational Improvements – with all researches and results from conducted research an opinion has given to senior management with changes and programs, which are consistent with goals and objectives of the firm. Main issues, most often, addressed are intern relationships, chain-of-command, accountability and authority, spending levels etc.

Productivity Recommendations – There can be many issues that need to be addressed when it comes to productivity recommendations in one organization or firm, which may or may not be important. In this step identifying areas for cost controls are on the first place, operational improvements and productivity gains follow. For good productivity recommendation many aspects need to be taken into consideration, but the most important ones are review workflow, layouts and scheduling in the office and factory.

The current of future employee performance is improved by employees' training and development by way of increasing their performance capabilities. There are various reasons for development and training such as: hiring of personnel with insufficient skills; technological changes necessitating new jobs skills, organization's redesigning of job as well as its decision to develop a new product requiring technologies not used before.

When focus is on short-term goals and immediate results it allows very little time to avail benefits of training and development. One of the most important objectives of training and development is to get rid of performance deficiencies, the current or anticipated ones(Thomas, 1996). An organization can increase its opportunities for survival and profitability by increasing its adaptability. From the individual point of view, training provides the direction and guidance for the lifelong belonging perpetual learning process, which makes the feeling of security and confidence. An organizational viewpoint is not so wide sighted and it considers trainings to shorten time required for employees to see efficiency levels. It also must be understandable that the cost of training is considerably less than the cost of gaining experience particularly in the context of advanced technology and expensive equipment. Education imparts general knowledge, while training is focused on the specific requirements of job (OECD, 2000). Effective training is crucial element of effective performance. The most difficult aspect of training is changing attitudes and behavior, compared to improvements in knowledge and skills are relatively straightforward to attain and measure. Training remains incomplete without link to performance appraisal, which is one single important toll that helps in deciding about training requirements for organization and reinforces training activities.

1.5.2 Characteristics of HR activities in health sector

In HRM two planning approaches are not mutually exclusive, and can be complementary. To develop coherent policies there is a need for recognition of role of information, modern analytic techniques and decision-making tools. Although are necessary they are still not sufficient conditions. Another approach takes into consideration political, economic, cultural and social context in which development and implementation takes place. But when it comes to health sector there is something else to be taken process of developing and implementing HRH policies. Those are (WHO, 2012): inter-sector nature of issues linked to HRH and the variety of participants and sectors involved, time-lag between decision-making and outcome, strong professional dominance, interdependence of different professional categories, role of the state as the principal employer, high number of women employed in health services, ambiguity of relationship between health need, service requirements and resource needs in the supply of these services and deficiencies of the market.

When it comes to the inter-sector nature of issues linked to HRH and the variety of participants and sectors involved there are many causes of HR problems in health sector. Solutions depend on many factors such as financial resources (if no financial resources are

available there is a little possibility for employees to stay), education programs (non educated personnel is worst than no personnel), working conditions (if there are no working conditions that satisfy the needs of employees there is no positive results resulting from it), which are in many instances outside control of health sector decision-makers or HRM administrators. Strategies need to be incorporated in viewpoints of wide variety of institutions, participants and interest groups who have a stake in the decision-making and in implementing actions.

When it comes to time lag there is a need for time space to be taken for decision making in every organization. Contextual changes influencing the demand for health services and tendencies within workforce cannot be dealt with in a short time. Time is required to bring major quantitative and qualitative changes in health workforce or to rectify adverse effects of poor decisions.

In health sector there is a need for strong professional dominance if the best medical care is the goal. There is a must for development and implementation of workforce policies in health sector, not only for needs of population but for changing expectations of personnel too. And if change that is in progress concerns them it should be conducted with their full participation. When it comes to health sector there is interdependence of different professional categories. Most health occupations are highly interdependent when carrying out their tasks.

The state remains principal employer in health sector, despite a tendency to give increasingly greater scope to the private. Any inadequate workforce policy that encourages overproduction of personnel, excess consumption of resources or poor utilization of available personnel has a direct effect on public finances and further reduces scarce resources that could have been assigned to other sectors of economy.

One of interesting facts is that there is high proportion of women employed in health services. Concentrated in specific professional categories such as nursing, women often pay highest toll when budgets are cut. Development of HRH policy has to deal with uncertainty and many other factors – political, economic, social and cultural – that influence relationships. As in every sector, so in the health sector there are deficiencies of the market. The challenge here is to overcome the rigidity associated with certain institutional mechanisms that may restrain the implementation of adjustments required or render them more costly.

1.5.3 Challenges of health system

As in every working system there are many challenges that happen in health system too. Regarding health system there are several of them, which are described in following (PAHO, 1997.). System reforms – Seen as challenge, raised by sector reforms, which goal is to reduce costs, improve performance, increase equity, decentralize management and review patterns of health care provision. It is done to see what kind of reaction would have a direct impact on staff, the very people on whom the success of reform depends. It is illustrated on:

a) Reducing costs -Inflation in health expenditure often occurs and as such there are measures to be taken for its reducing. Most common is by stimulating efficiency;

b) Improvement of performance– No improvement can come without effort and cost. In performance improvement there is a few steps to be taken, such as reviewing incentive systems, development of new skills, improving organizations work, and as the last one comes adoption of new strategies of professional development;

c) Improvement of equity of access to services;

d) Decentralization of services – Every manager no matter how good he is in doing his business and on effort that he/she putts, a decision on decentralization of service is needed. Especially in health organizations where system of services needs to be on top level for it to function properly. And if happens to be a need for additional staffing then it has to be done.

Beside all of the challenges and changes that occurred in health sector regarding communication system, education structure, system reforms and other, there are also some changes that are proposed to health care that can improve it functioning. No matter how one organization is functioning properly in critical moments it has to have an order to continue that way after. Changes in health care models and promotion of primary care are major challenges in terms of redefining professional roles and integrating services (Dussault, 2003). When changes occur, no matter what organization, even in health department, it requires professionals which must be more mobile, more versatile and to acquire new skills and ability to work in multi professional teams, so the progress can be done.

Every organization on everyday basis comes in contact and gets affected by a number of major trends that can have important effects on its work and may require adjustments if their objective is equity, efficiency and quality. Those major trends are named in continuation (Strategic management group, 2013):

1. **Technological transition.** Health professionals must adjust their roles and skills accordingly. Information technologies have tendency to improvement in every day basis. Every new day a new technology arises that helps health professionals in improving productivity, allows health professionals to exchange clinical data over a distance in real time and to have immediate access to new knowledge;
2. **Telemedicine.** A plus in telemedicine is in reducing of costs and injuries linked to patient transfer, improving provision of services in isolated regions, giving access to distance training and fostering development of domiciliary care.
3. **Demographic changes** have effect both on demand for services and on workforce (Svehla & Crosier, (1994). As mentioned earlier there is a need for training programs and compensation programs to be adjusted to meet specific needs of young and older staff.

Beside factors mentioned earlier that affect health workforce there are two factors linked to globalization (Saltman & von Otter, 1995): structural adjustment measures undertaken and radical reviews of their public sectors. Traditional relationship between employer-state and health personnel has been modified. Since by new regulation career structure is no longer clearly defined, workers show less their loyalty to organization that may make them redundant when it restructures.

There are always some changes in behavior of consumers and in their relationships with health professionals. No matter the countries consumer demands are the same regarding health system. Every one wants what is better. If there is a case of a rich country it is more diversified, more sophisticated and better informed, and consumers easily question the capacity of their governments to meet these demands. The same situation, practically, is in low-income countries where consumers become better informed about services which are available to others or should be available to them.

In developing countries, mobility has often taken the form of a more brutal exodus of skills, depriving countries of rare resources crucial for the development of their health systems (Dussault, 2003). As the job market is rapidly changing and competition is increasing, public health care systems must also cope with difficulties of retaining personnel who are attracted by better offers from the private sector or who decide to pursue other more lucrative professional activities. Technocratic planning as practiced in the past is highly ineffective, as illustrated by the chronic imbalances experienced by most countries, i.e. mismatch of numbers, qualitative disparity, unequal distribution and a lack of coherence between HRM practices and the overriding concerns of health policy. These imbalances prove to be major limiting factors to achieving the objectives of health sector reforms or to implementing health policy.

1.5.4 Reason for specific HRM design in health sector

The absence of appropriate human resources policies is responsible, for chronic imbalance with multifaceted effects on health workforce: quantitative mismatch, qualitative disparity, unequal distribution and a lack of coordination between HRM actions and health policy needs (Dussault, 2003). These are just some of the effects that mismanaged HR policies have on HRM in health system. That is why this research gives three more reasons to why we should give attention to workforce issues in policies and designing of specific HRH policies.

Three “WHY“ for designing of specific HRH policies (Chanda, 2002):

1. Health organizations are highly dependent on their workforce– HR is a strategic capital in every organization, but that counts even more in health organizations. Principal inputs in health organizations are clinical, managerial, technical and other personnel, who take care and make sure that needed procedures and operations go properly and by letter. Staff

diagnose main problem and determine which services will be provided, when, where and how.

2. HR account for a high proportion of budgets assigned to the health sector - The International Labor Organization reckons that 35 million persons are currently employed in the health sector. These costs are strongly linked to the ways in which HR are deployed and used. Studies of geographical variations of the use of health services show that it is often explained more by professional decisions and patterns of practice rather than by population needs.
3. The economic and human costs of poor HRM are particularly high in health sector - The quality of every service, not only health service, depends of personnel efficacy, efficiency, accessibility and viability. It is considered that performance of providers is determined by policies and practices which are defined by number of staff, qualifications, deployment and working conditions.

The importance of human resources management in health care in a global context considers the importance of HRM in improving overall patient health outcomes and delivery of health care services. Human resource system (HRS) in hospitals should work out an information system that could help them with communication system, for, HR information system of a hospital should consist of the following modules (Ozcan, Taranto & Hornby, 1995):

- a) personnel profile including name, age, sex, domicile, marital status and address of employees;
- b) skill profile including education, training, license, degrees, skills, hobbies and interests;
- c) career profile including performance appraisal, job title changes, salary changes, promotions, transfers, career path designed for employees;
- d) benefit profile: insurance coverage, provident fund of pension, holidays, leaves, bonus, etc.

Objective of the HRS is to help a hospital to know the core competencies of its managerial, supervisory, clinical and operative competencies. The IT will distinctly vary traditional work style because the decision support system will help making quick decision by front line supervisors, which were previously taken by high ups in managerial hierarchy. This process will limit bureaucratic tendencies and also initiate customer-oriented approach. Inspiration and motivation also plays a significant role in HRM in every organization.

Human resource system is also considered to be responsible for motivational process and strategy in health system, where it is present. It is considered that motivation is primarily concerned with three aspects that are important for the comprehension of human behavior at work, and they are: what strengthens behavior; what directs or channels such behavior and how this behavior is maintained or sustained (Bennett & Franco, 1999).

We can look at motivation as individual motivation reflecting an unsatisfied need that creates a state of tension and inspires an individual to move in a goal-directed pattern towards need satisfaction and equilibrium. In practical sense, motivation is the willingness to exert a persistent and high level of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need. Key elements for it are intensity of effort, persistence, direction toward organizational needs and goals. Main steps of motivation, when it comes to hospitals are:

- a) Sizing up – determining of motivator by having assessed needs.
- b) Listing of motivators – should be prepared based on the relevant needs of employees.
- c) Selection and utilization of motivators – few of motivators should be selected from the list of motivators and applied wherever and whenever they are needed.
- d) Follow up – finding out how effective has a particular motivator been.

1.5.5 Top 10 Strategic Initiatives for Hospitals in 2013

Phil Dalton, president and CEO of MDS Consulting, narrowed the list of strategic initiatives for hospitals and health systems to his top 10 strategic initiatives for hospitals and systems to focus on in 2013 (Punke,2013). Those are:

1. Improve patient experience. Patient experience is becoming an important factor for hospitals and health systems to consider. Patients are using information from their colleague and their experiences to make decisions when it comes to the choice for hospitals. Every hospital benefits when patients tell others about a great experience. This way we can see that patient experience is important for both patient care and business purposes.
2. Measure and report quality performance. Quality ratings are continually appearing online as healthcare becomes a more transparent industry. Hospitals and systems should promote their positive results prominently to current and potential patients.
3. Adapt to new payment models. Even though not all hospitals and health systems have made the switch from fee-for-service to a pay-for-value model, the time is ripe for organizations to begin experimenting with performance incentives or bundled payments.
4. Address the possible impact of health insurance exchanges. Health insurance exchanges go live January 2014, but enrollment for the exchange health plans opens in October. That leaves just a few months for hospitals and health systems to prepare for their impact. Not participating in exchanges, could mean being locked out of a financial opportunities and being left behind in the market.
5. Work on an approach to population health management. In order to manage the health of a population, hospitals and systems need to coordinate care across the continuum and "get

everyone on the same page," according to Mr. Dalton. To do so, physicians across the hospital or health system need to have financial incentives to work together, and they need a health information exchange system in place to succeed.

6. Focus on clinical integration. Clinical integration is necessary part of population health management and succeeding in healthcare today. Hospitals and health systems need a data system that captures as much patient information as possible to make the journey to population health management easier.

7. Explore new physician alignment strategies. This initiative ties in with the move to population health management. Trying out new physician relationship strategies, such as physician-hospital organizations, clinical co-management, ACOs, employment or joint ventures can join hospitals and physicians together on the same platform and can be used to support the population health strategy as well as capture market share.

8. Respond to an aging population. The average age of the United States is slowly crawling upwards as baby boomers reach retirement age, and that has an effect on healthcare. It makes financial sense for hospitals and health systems to provide special access and programs for the elderly.

9. Assess long-term sustainability. Organizations may need to consolidate to survive. Many hospitals are struggling financially in today's competitive healthcare market, and a negative financial performance makes it difficult for organizations to experiment and move forward with new programs and technology. It is important for all organizations to advance new initiatives and continue moving forward, and to create new partnerships is one way to do so.

10. Assess current and future need for capital. As part of examining an organization's long-term situation, healthcare executives need to discuss their current and future need for loans and capital. These are just a few of the many strategic areas healthcare executives need to keep their eye on in 2014.

Every sector including health sector has challenges that needs to resolve on a way that best fits organization. When it comes to health sector most important are reducing costs (by better financial planning, laying off unnecessary employees or by investing in modern equipment from which the organization will profit), improvement of performance (employing educated personnel which will bring to better organizational results and organization will benefit from unnecessary costs that may occur when employing nonqualified personnel), improvement of equity to access to service (everyone should have the same ability for health treatment), decentralization of services (every director, no matter of number of obligations, should have in mind that every now and then it is good to decentralize some of them to others).

There are many problems that need to be resolved when it comes to hospitals, besides those named before. There is a need for technological transition if better medical care is the goal, telemedicine and demographical changes that put in first place the adjustment of medical

service regarding the demographical structure of the place. There is need for better understanding of HR in health sector. This part is left on director of organization to transfer it to other employees. Mostly, when one talks of HR, there is opinion that only HR job is managing employment (keeping records and evaluation results), as it can be seen it is wrong. This is why there is a need for HR to be explained and run properly in every organization. As in every sector, health sector also uses motivational tools. Mostly used motivational tools are bonuses, trainings and promotions. When it comes to improving efficiency and effectiveness, tools such as personnel assessment, implementation of improvement and productivity are used. This way organization has insight of what every employee is doing and the way of doing it, and also on the results of its work. Such way organization can see which employees are not best fitted for organization and put in process their lay off. Organization can benefit from productivity recommendations. It contributes by discovering which part is bringing less profit than another. This does not mean that that part should be cut off from hospital, it just means that it needs to be reorganized (lay off or redirect employees, if there are too many of them in that part), also it can suggest ways how to improve services and ways how to maximize service output, in this case medical. In health sector there is also the need for recognition of role of information and analytical techniques also decision making tools for developing coherent policies.

One organization can not be successful these days if it still works with “old gadgets”. New, modern equipment is needed if best service is the goal, in this case medical care. With new technologies time and costs of services will be lesser, and productivity will be greater. Health sector still needs a strong governing hand to manage it and to make decisions from which the organization will prosper. As it can be seen there is a need for specific HR design in health sector. More over health sector is highly dependent on its workforce. Also high proportion of budget is assigned to health system. The budget is assigned as for the payments of workers, also for acquiring new equipment and for obtaining the necessary costs of everyday business (beds, examination tools, and other necessary equipment for hospital to operate normally). HRM needs to be good in health sector, because economic and human costs of poor HRM are particularly high in health sector.

2 METHODOLOGY OF RESEARCH

The aim of this research is to compare HRM role in hospitals in developed and in developing countries and to show on which way and how does it affects on hospitals everyday situation and its final results. By comparing hospitals from United States (hereinafter: USA) as hospitals from developed countries with the hospitals from Bosnia and Herzegovina (hereinafter: B&H) differences in use of HRM could be observed. Also, as these two health care and hospital systems are different in their nature, results will show which system is better

for application when it comes to hospital governing and the one more applicable. Research questions aimed at different parts of HR structure, education and employment structure, connection with other hospitals, ways of funding and it's redirecting, monitoring of employee work and conducting satisfaction researches, motivation strategies rewards for best resulting employees.

2.1 Data collection through questionnaires

Data has been analyzed by both the descriptive and inferential statistical methods, and interpreted through frequency tables and graphs. Questionnaires were edited simultaneously during the study and all completed questionnaires thoroughly scrutinized. Data was double entered and then validated and corrected for any disparity. Finally, all questionnaires were checked to look for any error in the data entry.

Questionnaires were divided into qualitative and quantitative parts. Both types of questions have been separately analyzed and interpreted. The questionnaires comprised of two sections. Section A pertains to information relating to personal opinion on human management and effective utilization of HRM in the hospital. Section B is based on suggestions and recommendation for improvement.

Questionnaires, both of same content, were conducted in interviews on both languages, on Bosnian language in Bosnia and Herzegovina and on English in USA. First questionnaire was done on 21st December 2012 by Sarasota Memorial Hospital, while questionnaire was opened till 30th July 2013 for its completion. For this research hospitals contacted were hospitals with greatest business and working results and recognitions in both countries. From Bosnia and Herzegovina 10 hospitals were contacted, including General hospital Tešanj, Public Health institution Izudin Mulabećirović- Izo from Tešanj, Canton hospital in Zenica, Public Health Institution "Abdulah Nakaš", Clinical Center in Sarajevo, Clinical Center of Urgent medicine (hereinafter: KCUS) Sarajevo, Kanton hospital from Mostar, Public hospital from Tuzla, Public hospital from Dobož and Public hospital from Banja Luka, only five responded. From USA contacted hospitals, 40 of them, only four responded, including Jackson Health System, Naples Community Center, Sarasota Hospital and Lee Memorial Hospital.

Hospitals from Bosnia and Herzegovina were contacted by their information system (telephone) and through their official internet pages including their Facebook page, while USA hospitals were contacted through their official hospital pages and Facebook pages also. With General hospital Tešanj and Public Health institution Izudin Mulabećirović- Izo from Tešanj interviews were done with directors, and to all other hospitals, from both countries, two links (of questionnaires) were sent (by e-mails and their official pages).

2.2 Public hospitals that participated in research

Beside from good will for this master thesis to be thoroughly done and to have as much examples as possible, the response that came back was not so enthusiastic and good as expected. With over sixty hospitals contacted from Florida, only six of them participated. From twenty hospitals contacted in Bosnia and Herzegovina, only eight of them decided to take part in research. Nevertheless, research on which is based this work has given some crucial insight into hospital functioning regarding HR management and its role in hospital success. Responses were collected from main and best hospitals from both countries.

2.2.1 Public hospitals in Bosnia and Herzegovina

Data presented, when regarding hospitals named in continuation of work has been gained from interviews and questionnaire and also from official pages of hospitals.

a) Health institution Izudin Mulabećirović – Izo

As first document of treatment way and sanitary culture in Tešanj, its nursery has been mentioned in 1835. Hajji Aljo Mešić is marked as the first doctor in Tešanj in 1864. "It was built in October 30th 1945, and primary it was known as medical station. In 1955 it becomes Health institution Izudin Mulabećirović – Izo. One of the first doctors in this Health institution is Russian, doctor Ljahov. Today, this public institution – Health institution Izudin Mulabećirović – Izo has 9 operating ambulances disposed over entire Municipality Tešanj. First one is in Jelah, where two or three doctors are working, depending on number of patients. Tešanjka, with only one doctor, same as Šije, Karadaglije (working for two days) and Piljužići (three working days)- the same doctor, Kalošević, Miljanovci Novi (three working days), Miljanovci Stari (two working days) and Piljužići (two working days). Working days and number of doctors are arranged with the number of patients and volume of work. There are eight teams of family medicine in Central part and one doctor of general medicine. One team counts up to 2.000 patients. In Family medicine there are 16 doctors, of which 2 medicine doctors and one specialist, and 25 nurses. By the rule two sisters operate under one doctor, that way in Family medicine there are 32 nurses. Total number of employees is 158. Working on determinate is 148 and non-determinate 10, 34 medicine doctors, 22 medicine specialists, dentists 4 and one specialist, four specialists of general medicine. There are 4 health workers with higher education, and four health associates (psychologist, social worker, speech therapist). Nurses education rang is as it follows: 76 have medical high school finished and 11 of them has higher education status. There are 13 employees in administration and 22 in technical service. Mission is providing of primary health protection with combining patients with nine ambulances that are organized on Tešanj municipality. Planned strategy, that is currently processing, is bounding with CH Zenica, pharmacies, computerization and hospital expansions. Vision of this health institution is to become the best in providing complete medical services to its patients.

b) General hospital Tešanj

1995 is the year when the General Hospital Tešanj started with its work. Ministry of Health ZE-DO canton in 16th November in 2000 adopted a decision that Public Service General Hospital Tešanj was eligible, staff and medical-technical equipment and sanitary conditions for performing preventative health treatments. One of the recognition of this institution is that Tešanj General Hospital does not have waiting lists for any medical services. Qualification structure in the General Hospital Tešanj is next: 39 doctors of medicine, of which 25 specialists of various specialties, 6 medical doctors specializing , 8 doctors of medicine, 16 graduate nurses and medical technicians, 13 senior nurses-technicians, 95 nurse-technicians, one lawyer, 1 economist, 20 administrative economic and technicians, 10 highly skilled workers, and 27 employees with primary education.

It is planned to proceed with new technologies, new doctrines medical procedures, adopting the gold standard, the positive experiences of past medical practices. Progress has been established so far in perfecting the knowledge, skills, doctrine and correction only that which is proven better alternative. Mission of this health institution is professional and under the same conditions to tender modern and effective health services of medical level, for all patients and users of our services. To improve work and innovations to respond to the needs of users on the best possible way, to provide the best medical protection for the patients, conducting of continuous education, planned investments in development and equipment with disposed material resources, continuing connection with the primary health protection, and as the only to proffer the secondary health protection in environment it will be the bridge to connect with the proffers of the tertiary level of protection in Federation.

Vision is seen in the reinstating of continuous care between primary and secondary level of health protection which would result in increased standards of health protection as one of the main rights for humans. Vision also consists of permanent education and improvement of hospital employees, to ensure the best medical protection for patients, to become recognized name for other health institutions to look upon, to be the institution in which there will be conditions in which will be valued work, knowledge and skills of all employees.

Strategies for reaching goals are specialization and sub specialization of the existing departments, investing in reconstruction of the existing spaces in hospital, acquiring of new medical equipment, ensuring of financial means through personal investments, through Health insurance fond, donations etc.

Main activities during the year are to make internal organization of work with space available in hospital, improving of information system in Hospital, to use bed fond of hospital to its full capacity, to ensure education and improvement of Hospital employees.

c) Cantonal hospital Zenica

Canton hospital Zenica exists for a few decades. First time is mentioned in 1953 by the name General state hospital, whose assignment was to check and to remedy patients from administrative district Zenica and other districts.

Today Cantonal hospital Zenica is in the same place as in 1959, with expansions of some parts (infections building, intern, laundry, direction, building for magnet resonance, radio-therapy building), adaptation was made, as the annex and equipment process for all hospital departments, additional services and traffics in hospital circle. Today, hospitals takes around 35.899 m². Current capacity of hospitals is 906 beds, 38 for chemotherapy and 8 in daily hospital. There is a total amount of 34 services that employs 1536 employees. Personnel is made of 260 faculty educated doctors, 112 high school nurses, 10 medical cooperators and non medical cooperators as the rest. Most important value for hospital represents highly educated medical operators in every medicine field. Cantonal hospital Zenica has a mission of providing professional and under same condition, up to date and effective medical services with constant personnel education in gaining new skills, acknowledgements, methods and techniques for treatments. Vision is comprised in becoming the regional leader and center in providing medical care on region of Middle Bosnia and wider, to improve and enhance potentials of medical staff and to be the institution in which the knowledge, skills and hard work of employees will be valued.

d) Public institution «General hospital "Prim.dr. Abdulah Nakaš"»

General hospital was made in 19th century, more correctly in 1866, it was founded as Turkish military hospital by Topal Šerif Osman-pasha. He also started the building of hospital in 1866, which was, with citizen hospital, the one of two hospitals on territory of B&H.

From 29th June 2000 when the meeting of Canton Sarajevo Convention was held the institution is in business under the name Public institution "General Hospital Sarajevo". It is founded for public health in sphere of specialist-consult and hospital protection for Canton Sarajevo. Actions taken care of are: hospitalization, medical care and surgery actions, diagnostic, treatment, operations, analysis, emergency interventions, pharmaceutical preparation, making and delivery of medicines. Part of teaching processes is being conducted for high school of medical education, pharmaceutical university and first cycle of studies in clinic disciplines and family medicine. Capacity of institution is 300 beds. There are 500 employees. The continuum of their work, as they say, is the tendency for patient to be always in focus of interest.

e) Clinical Center Banja Luka

Banja Luka has a relatively long tradition of health. The first hospital building was built in 1892 and hospital complex was built in 1897 in the background one smallish pavilion, and the 1910th one home for the department of infectious diseases.

Capacities of primary, polyclinic and stationary health care are not appropriate. KBC project, with 110 000 m² total area - is not completed in its entirety till this day.

Health care in Banja Luka is carried through:

- Clinical Hospital Center;
- Health, in which the twenty urban and rural clinics takes primary health care;
- Through the ambulance in companies and public institutions is occurred the protection at work;
- Rehabilitation takes place in a specialized orthopedic institution - Institute for Medical Rehabilitation Dr. Miroslav Zotović.

At Clinical Center of Banja Luka there are 2,500 employees, including 560 doctors, dentists and pharmacists, among them about 350 specialists from various fields. In the medical institutions of the city is employed by about 600 doctors to statistical averages says that one doctor provides medical care for 366 residents. The main activity of the Clinical centre Banja Luka is hospital treatment (admission, diagnostic and treatment) of the patients at the secondary and tertiary level of healthcare services.

Its mission is seen through efficient and effective highly specialized health, research, scientific and educational institution, committed to service excellence for the population and continuous performance improvement at secondary and tertiary level of healthcare services, through continuous investment in development and employees, adoption and creation of innovative solutions and improvement of cooperation with the community, in order to improve public health and conditions that influence health.

Vision of the Clinical Centre Banja Luka is to become a leading provider of healthcare services at secondary and tertiary level to the population of the Republic of Serbia and broader region. To be contemporary, rational and effective health institution dedicated to the health and well-being of patients, employees and broader community ready to respond to the challenges ahead and to satisfy user needs in the domain of healthcare services.

In future development of the Clinical Centre special attention will be devoted to the following core values: Patient-Centered Care, Focus on Employees, Team Work, Work Ethic, Excellence in Quality, Community, Best Use of Resources.

2.2.2 Public hospital in USA, Florida

Gathering of data for USA public hospitals was conducted through their official pages, articles found on the web and through questionnaires.

a) Lee Memorial Hospital

LMHS was founded in 1912, first hospital was opened in 1916 and the existing site was built in 1943. The hospital became a special unit of government in 1963 and continues to work under the Enabling Legislation, modified through years by the Florida Legislature. In LMHS

there is a Board with duties including setting goals and objectives for the System, hiring a System President for implementing these goals, and monitoring the work of the administration to ensure to goals and objectives are being achieved. LMHS is the largest public not-for-profit health care system in Florida with no taxing power and no direct tax support while maintaining low charges and financial viability through prudent purchasing, efficient delivery of care, philanthropic support and effective fiscal management. Vision, dedication, and ability components are seen through preserving and continuing the standards of high quality, integrating operations and management of the System's four acute care hospitals, ensuring that LMHS continues to attract, retain and develop quality employees and anticipating the growth of community and fulfilling its health care needs. Mission is to continue to meet the health care needs and improves the health status of the people of Southwest Florida. LMHS has more than 8,500 employees, of which 20% of the Fortune 1,000 companies, continues to attract, retain and develop quality employees. And it is a must, in this hospital, for employees, volunteers, physicians, and vendors that they are responsible for adhering their standards.

b) Sarasota Medical Center

The opening of the first modern hospital in Sarasota County was at November the 2nd in 1925. In 2010, SMHCS was recognized by Cleverley and Associates, a leading health care consulting firm, for taking care of our community in the most financially responsible, high-quality and cost-efficient manner.

As for today, Sarasota Medical Center counts for approximately 1,200 community and university-affiliated attending physicians and more than 270 resident physicians in the USF Health Morsani College of Medicine residency program serve the community's medical needs. Some of services they offer are family care (primary care treatment for adults, pediatrics, birth control, lung problems, preventive medicine, heart problems, infections, skin lesion removal and other), urgent care (routine physical exams, lacerations, treatment for injuries and illness, allergy shots, vaccination, minor surgery, sports injuries and accidents), corporate care (treats all types of injuries, complete X-ray and lab services, testing, hearing testing...), personal injury care and weight loss program. As for their strategy and vision they say: "We treat each of our patients as though they were part of our family. We'll strive to exceed your expectations to deliver the best quality medical care in the area." (sarasotamedcenter, 2012). Values of this hospital are seen in caring and compassion, excellence, teamwork and trust, mutual respect and recognition and cost effective/ethical behavior. They are currently doing quality improvement initiatives that include participation in National Health Quality (advanced treatment for adults with heart failure and pneumonia), Joint Commission on National Patient Safety Goals (for improving patient safety), Agency for Healthcare Research and Quality Patient Safety Indicators (identifying accidents, complications or other medical mishaps on hospital ground before they occur), with American Nurses Credentialing Center Magnet Program, Participation in VHA Southeast (researching

and promoting evidence-based practices and collaborating on quality improvement initiatives) and participation in Joint Commission's Quality Check and Centers for Medicare Hospital Compare.

c) Jackson Health System

Miami City Hospital opened its doors on June 1918, replacing the deteriorating Friendly Society Hospital on Biscayne Boulevard, spearheaded by physician and civic leader Dr. James M. Jackson, has grown from a small, 13-bed hospital to a comprehensive health system with several hospitals and clinics, now called Jackson Health System (JHS). JHS has become a renowned healthcare provider recognized for its highly-trained physicians and cutting-edge care. While many things have changed, one thing remains the same: Jackson continues to be a vital part of the South Florida community, providing state-of-the-art compassionate care to people from all walks of life.

Mission of Jackson Health System is to build the health of the community by providing a single, high standard of quality care for the residents of Miami-Dade County

Its strategic vision is to be a nationally and internationally recognized, world-class academic medical system and to be the provider of choice for quality care.

Values are seen through service excellence and quality, commitment, compassion, teamwork and communication, respect, confidentiality, integrity and stewardship, inclusion. Jackson Health System employs over 9,000 doctors, nurses and physicians. It has been a central provider of medical services and healthcare leadership for residents of Miami-Dade County and beyond for nearly a century. Owned and supported by the taxpayers of Miami-Dade County, it is governed by the seven-member Public Health Trust Financial Recovery Board under the auspices of the Miami-Dade County Mayor and Board of County Commissioners.

d) Naples Community Hospital

The effort brought incorporation in April 1953 for Naples Memorial Hospital as a non-profit organization. Ten citizens pledged to underwrite \$250,000 for the hospital – half of what was needed. Today NCH performs more than 400 open-heart surgeries each year and has become a top-ranked destination for cardiac excellence in Florida. In August 2012, the NCH Healthcare System became a member of the Mayo Clinic Care Network. NCH is the first member of the network in Florida and the Southeast region of the United States. The Mayo Clinic Care Network extends Mayo Clinic's knowledge and expertise to physicians and providers interested in working together in the best interest of their patients. Today NCH is an alliance of 650 physicians and medical facilities and has permanently employed 906 doctors, nurses and license practical nurses along with 214 temporally employees, also doctors, nurses and license practical nurses. Their mission is seen in their statement: "To promote, maintain and restore health for those we serve"(nchmd, 2013).

3 RESULTS OF RESEARCH

In this part of the work we will present results gained in this research and explain the current situation at public hospitals. When it comes to purpose and the role of HRM in hospitals from Bosnia and Herzegovina, from five hospitals, 80% of them said they had no human resource department in their hospitals, while one of them (20%) answered that HR has a role of increasing efficiency and efficacy and other to have the role of making organization work smoothly. This research, in USA, Florida, shows that HRM is present at hospitals and that it has main role at fulfilling the needs of internal and external customers, in all of them. 25% of them said HR also has the role of increasing effectiveness and efficiency, in other 25% it also has the role of managing employees and their records, while 50% said it also has motivating and educating role. Many of good HR managers emphasize that if you want company to work well you have to have good supervision system. In some cases it has been neglected, but not in case of hospitals. Results show that almost every hospital in both states has good supervision system and that is done almost all time (once or two times per week, some even more), and results are more than satisfying.

In B&H 40% of interviewers answered positively when asked for satisfaction regarding their supervision system. 40% (2 hospitals) answered with negative answer, and 20 (1 hospital) did not answered this question. In Florida, 75% of interviewers answered positively on this question, while 25% (1 hospital) answered negatively.

Table 1. The role of HRM in hospitals

The role of HRM in hospitals	B&H		USA	
	number	%	number	%
HRM does not exists	4	80		
To increase the effectiveness and efficiency	1	20	1	25
To motivate and educate employees and to manage employees and their records			1	25
To make organization work more smoothly				
To fulfill the needs of internal and external customers			2	50

When it comes to any business, training is considered to be one of the main parts in every branch. The more training and seminars it is considered to be more informed and to be more included in new aspects of branch that is current occupation. With more information and more insight in new technologies, new revelations and new methods of curing illnesses it is considered for you to be more efficient and effective in job. For this and many other reasons, trainings are considered to be obligation for every doctor, nurse and every other medical employee, who has day-to-day contact with ill people or other people in need.

Nevertheless, it is not enough just to be in the classes, it is also important to put in practice the same. Even more when medical practice is in question. There are many ways of putting in practice gained knowledge. The more use of gained knowledge the more practice, until it becomes habit and one hundred percent knowledge in use. There are many ways of assessing training methods, and to see the outcome for the same. In continuation of work are presented the most used methods. As it can be seen in Bosnia and Herzegovina the best and most used method for assessing the success of training method is through monitoring through supervisor observation and survey 60%, 20% is checking the output after training session, and 20% answered they do not have method for training outputs.

In USA we have other situation. With answers gained we can see that every method is used in separately in every hospital. 25% use checking after training session, 25% through practical procedure, and 50% by monitoring through supervisor observation and surveys.

Table 2. Methods for training method assessment

What methods hospitals use to asses their training methods?	B&H		USA	
	number	%	number	%
To check the output after training session	1	20	1	25
Through practical procedure			1	25
Monitoring through supervisor observation and survey	3	60	2	50
At present there is no method	1	20		
To check the output after training session				

In managing an organization, there is a need for motivation when it comes to work or every other aspect of life. There are several motivational practices used for motivating employees. In hospital, most used are increase in salary (40%) and cash rewards (40%), regarding Bosnia and Herzegovina, and 20% regards continued education in professional occupation.

Table 3. Motivation techniques used for employees

Motivation techniques used for employees	B&H		USA	
	number	%	number	%
Cash rewards	2	40		
Special trainings				
Increase in salary	2	40	2	50
Management support			1	25
Continued education	1	20	1	25
Program for employee potential promotions				

In response gained, in USA most used motivational technique is cash rewards 50%, management support (25%) with continued education and program for employee potential promotions also 25%.

With question for recommendation in improving quality of HR all of those included in research, regarding Bosnia and Herzegovina answered 100% certainly that it is increase in communication and interest. While regarding other offered answers 20% relies on proper utilization and selection according to ability, and 40% to better incentives for hard workers and by merits 40%.

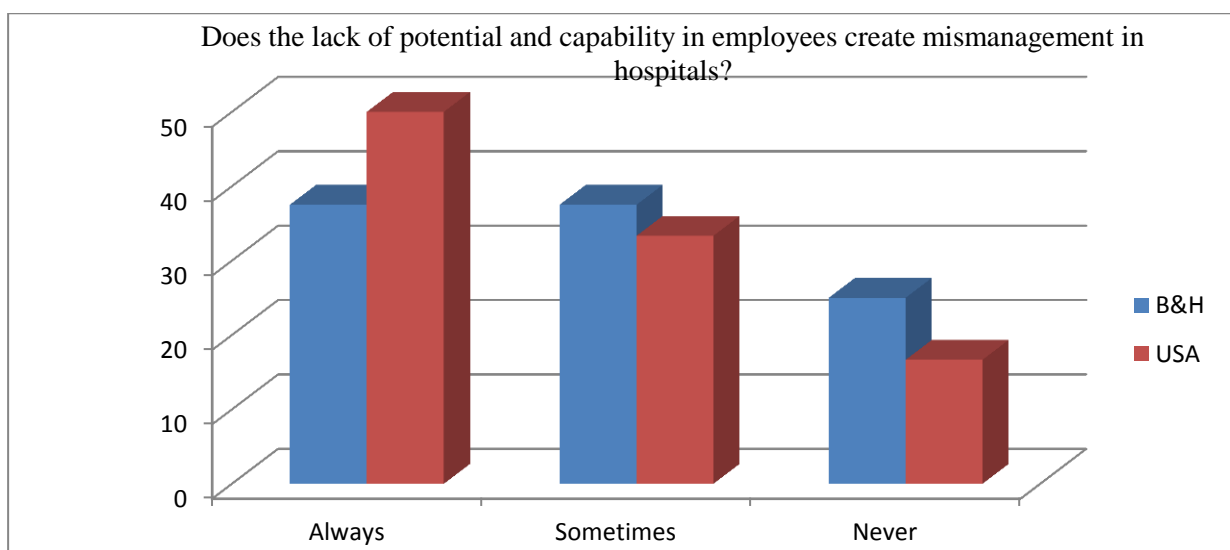
Table 4. How to improve the quality of HR?

What would be your recommendation for improving the quality of HR?	B&H		USA	
	number	%	number	%
Better incentives for hard workers	2	40	1	25

Merit	2	40	2	50
Proper utilization and selection according to ability	1	20		
Increase communication and interest			1	25

In USA we have the case of 25% regarding increase in communication. The second used method and suggested recommendation for improving quality of HR is better incentives for hard workers (25%) and by merit (60%).

Figure 5. Mismanagement in hospitals due to lack of work potential

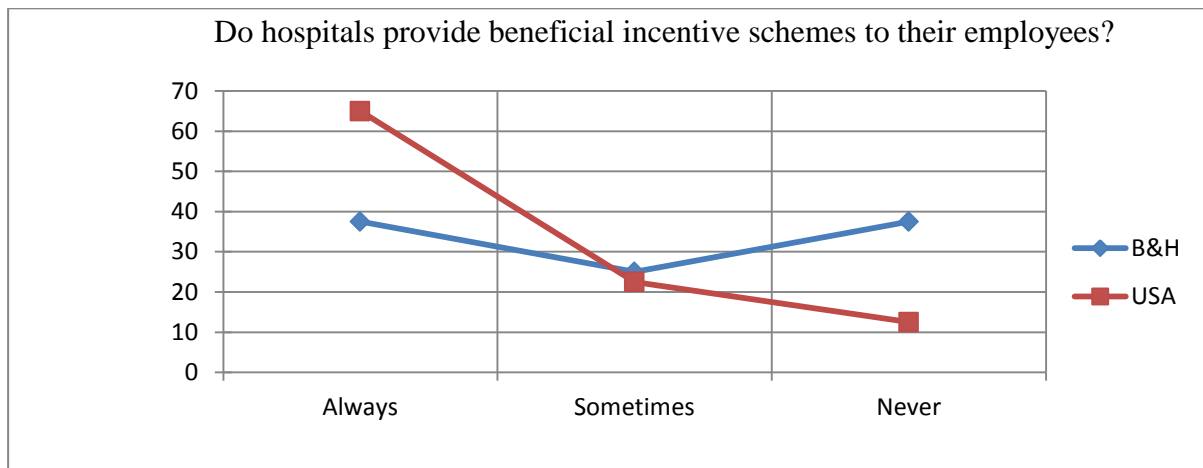


When comparing these two cases we can see that the lack of potential and capability in employees often has result of bad functioning of organization, which can lead to greater problems. In hospitals interviewed in B&H 37,5% answers reveal that lack of potential and capability in employees always create mismanagement in hospital work, but other 37,5% thinks that it creates mismanagement sometimes. 25% say that it does not create mismanagement in hospital work.

In USA the lack of potential creates mismanagement in 49% of hospitals, while in 35% cases it creates only sometimes, in some procedural parts, and in 16% it does not creates any mismanagement in hospital work.

The opinion that hospital employee is better beneficially provided seems to be the wrong one. In this research gained results are that it is not the case in 37,5% of answers, while 25 % is sometimes and always in 37,5%.

Figure 6. Beneficial schemes for hospital workers



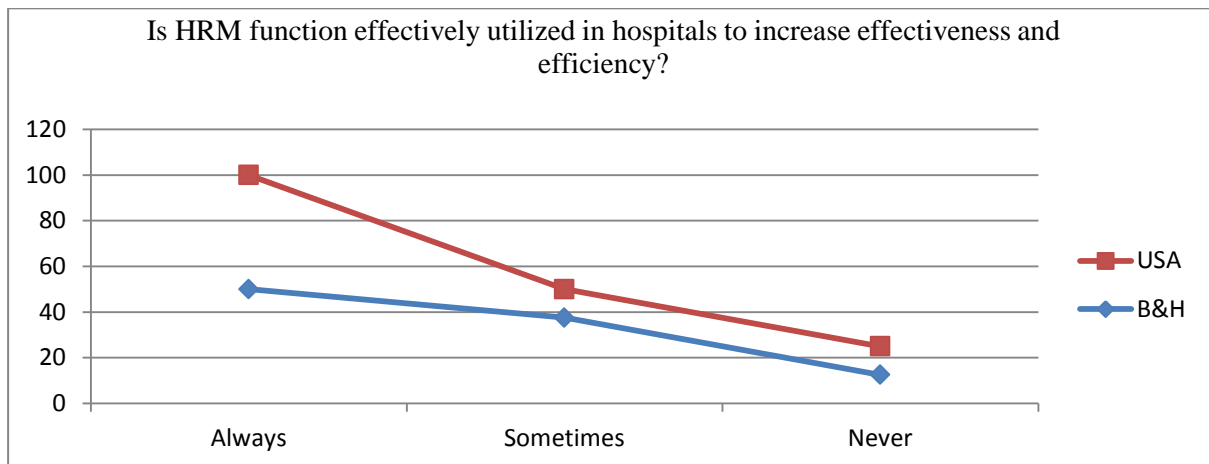
In case of USA, Florida better incentive schemes to employee are provided in 65% of cases, while 12,5% sometimes and never also in 12,5% cases.

HRM can be used in many ways and for many reasons. In this case it is used for hospitals better regulation system and management for better internal work and better care service. Managers often appear to be more oriented on organizing and managing the process to its fully strength, minding that everything is in order and that job is being well done. In this sense and question of HRM function utilized for increasing hospitals effectiveness and efficiency, next answers are given. In B&H 50% of hospitals said that HR function, is always used for increasing effectiveness and efficiency. 37,5% said that that role was sometimes used for its increasing and 12,5% said that they did not used their theirs HR function for increasing effectiveness and efficiency but for regulating processes and monitoring of employees work.

When it comes to hospitals in Bosnia and Herzegovina, and hospitals that do have some kind of HRM, it is used for increase in effectiveness and efficiency through all kinds of seminars, organizing new lectures with best doctors and making good communication throughout organization.

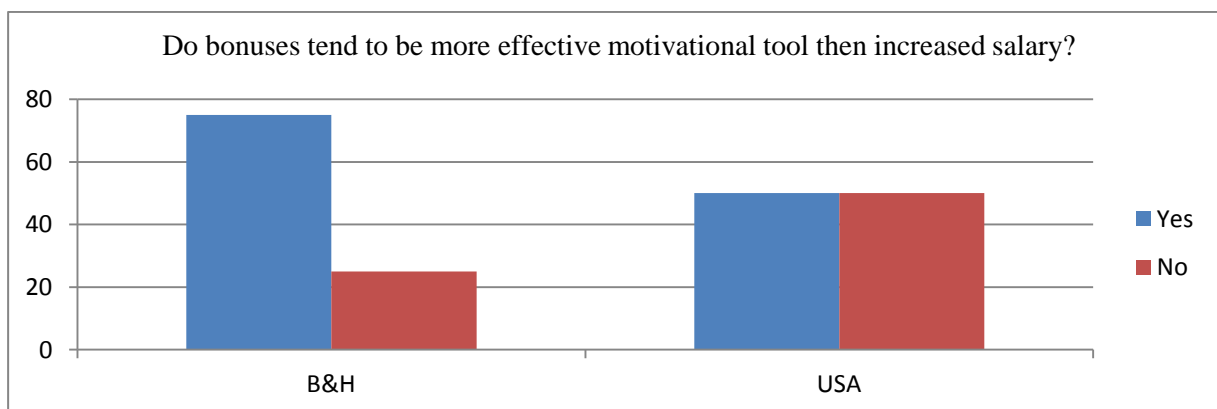
In USA 50% of hospitals say they have always used their HRM function effectively for increasing effectiveness and efficiency, 12,5% said they have had similar case sometimes and 12,5% said they do not use HRM for increase in efficiency and effectiveness.

Figure 7. Utilization of HRM in increasing effectiveness and efficiency in hospital



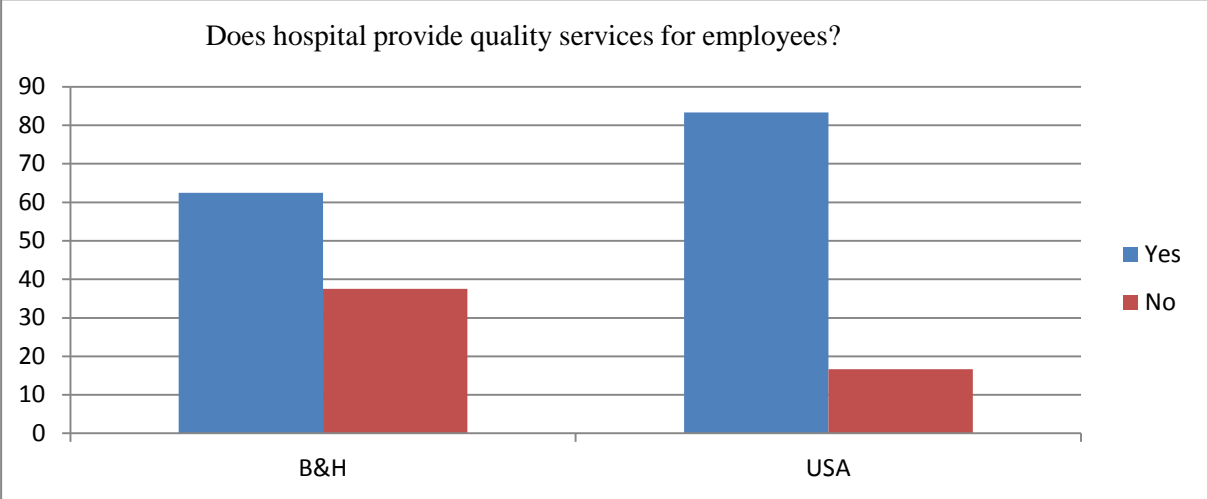
In research conducted regarding motivational sources for employees comparison was conducted between bonuses and increased salary. Results show that in 75% of cases bonuses tend to have much more motivational effects than increased salary. These bonuses come in many forms such as: extended holidays, shorter working hours, bonuses in amount of 25% of salary and many other privileges. Beside 75% of positive responses, 25% said that increased salary has more positive motivational effects than bonuses. The bad side mentioned with increased salary is that it does not happen every month but periodically, two times in year, sometimes even one. Its positive side is seen in merit. The better business done the better outcome is. In USA proportion is 50-50%. Newer the less, bonuses seem to have much more effect on employees work than increased salary. It appears to be that privileges with bonuses are more used by employees that increased salary.

Figure 8. The relation of two most used motivational tools



In response given, 62,5% hospitals provide its employees quality services in their working places. While 37,5% of hospitals do not provide total or non quality services to its employees. 83,33% of hospitals included in research from Florida has its hospitals health and safety rules providing the best quality services for employees, while 16,66% has no quality services for employees.

Figure 9. Quality services for hospital employees

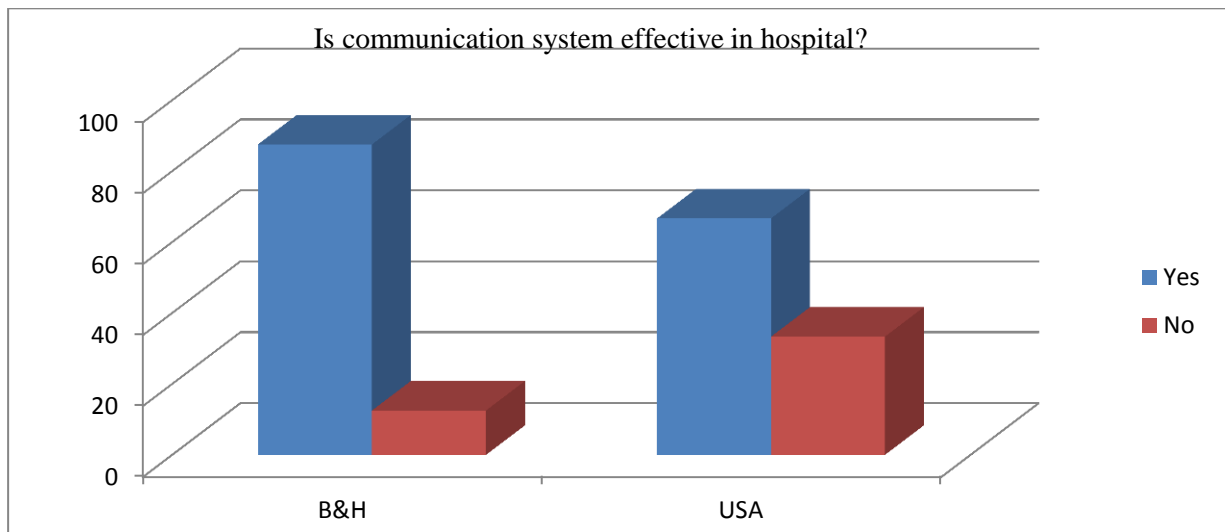


For organization to work properly and to have all system under control it has to have good communication system. Not only good, it has to have both-side communication system developed. For information to be useful it also has to be given in right time and it has to be relevant. Communication system has to be set in a way that it makes possible for both sides to get the wanted information feedback. As in every organization, also in hospital communication system has to be on the top at every moment. In study, results gained show that in 87,5% the communication system works properly, and in 12,5% communication systems some obstacles occur.

In USA hospital communication system in 66,66% hospitals is working properly. It allows its communication system to be in continuation and delivers information in the right time.

In 33,33% of cases it does not work properly and has some main flaws. One of them is bad communication system between some nurses and doctors, and between top management and its subjects.

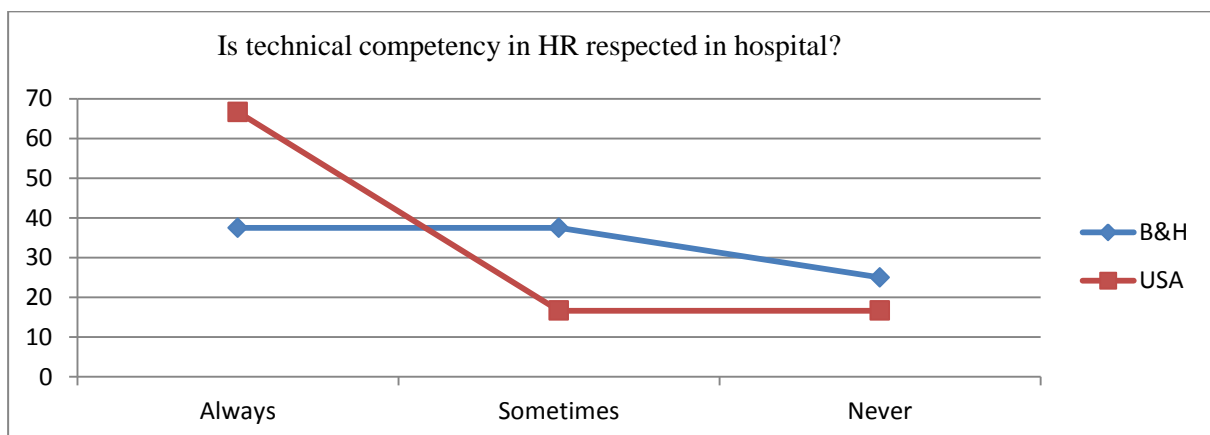
Figure 10. Communication system effectiveness in hospital



There is little understanding shown to HR managers regarding their role in medicine. The stand and understanding of its role needs to be clear to everyone who needs to be considered for opinion consideration. Since there is no official HR manager in hospitals in Bosnia and Herzegovina (that role is taken by director of hospital) that role is seen through the respect of director of facility. Regarding that it can be seen that HR, actually director is highly respected in 37,5% cases, sometimes in three hospitals (Also 37,5%) and that role is not respected in cases of two hospitals 25%).

Regarding USA the HR technical competency is highly respected, even in 66,66%, sometimes in 16,66% and that is not respected in 16,66%. It is believed that the more technical competency in HR management you have, it is more possible that director possesses leader skills, and it will lead hospital into better and prosper future.

Figure 11. Respect for HR competency in hospital



4 DISCUSSION AND RECOMMENDATIONS

With data obtained from the research conducted, with interested sides who took part in our research we came to conclusions presented in continuation. Regarding Bosnia and Herzegovina there is not enough attention given to HRM when it comes to hospitals. The role of human resource manager is conducted by a director of hospital. Nevertheless, director alone can not keep up with the tempo of doing both roles, one as doctor and second as manager. The role of manager is usually decentralized to the most fateful people by director. In hospitals in Bosnia and Herzegovina the person most often to do tasks for director is secretary. She does not take the role of taking decisions but only of fulfilling the most important ones given by director. In this case it is important to emphasize that there is a need for person who is educated in management and will in fully take the role of real manager in hospital, this way facilitating and improving business flows. In hospitals in USA HR department is divided, the main role is divided between few persons, main in charged in several departments, and no decision is made if not decided from all of them, or by majority. Understanding of HRM role is considered to be staffing and motivational. In USA there is a developed opinion and understanding regarding HRM. The roles are in increasing efficiency and efficacy, management of employees and educational role, where no decision is made without consulting HR department.

The need for HRM department is a must if conducting new changes and improvements are the goals, in every country, so in Bosnia and Herzegovina also. There is a need for configuration of educated personnel for HRM department, obtained from outsourcing and professional personnel from inter organization. Supervisory system is a need for all organizations. That way an insight can be obtained about satisfaction of employees and need for changes (with the way it is to be conducted) and also about satisfaction of consumers, in this case satisfaction of patients. If results are bad or are bordering with not satisfactory one, then changes are needed and as such must be proceeded to, for life of person is in stake. It is considered that with some methods of compensations, benefits or trainings the perfection and employment satisfaction is guarantied. Besides all this methods a result must be seen at the end. In that case of assessment of trainings are output checking, practical procedures results, survey and monitoring by supervision. There is a chance of non existence of assessment, but in that case final result is seen and decisions are made by it. If results are not satisfactory changes are obligated. When it comes to motivational techniques most common used are special trainings and increase in salaries. A rare case is of continued education, which is more needed than every other motivational tool. With continued education there is certain and secured better functioning of organization, and also benefit and rewarding systems for worker. That way we have a win-win situation.

One of recommendations is also to employ right people to right places. Since it is a public service, health department is influenced by the state and government. As such it has tied hands regarding employments and other. In employment, especially when it comes to health sector it is a must for educated and qualified sector of people to be engaged in. Today we have case of lack of educated personnel in hospitals and as such a proper care is less possible to be give to people in need. There for, changes are needed. Educated and qualified personnel leads to better care of patients, better care of patients leads to better life quality, better life quality leads to better living. When health institution is mentioned and its workers first tough is they have special bonuses when it comes to illness in their family, since it is a fact they are employees to health institution. This is not the case. It is a fact that every one of them is given the same service as any other patient. No matter the satisfactory and communication levels in it, the rule is the same for all. When it comes to communication it is known that organization with bad, or the one with no developed communication system is contend to dumb. For a system to work properly there must be established system of reporting (from top –to- bottom and reverse). For it to function properly an open communication and respect must be taken into consideration with no regards to level. With this two base determinations a proper communication system can be set. Since time is changing rapidly and old technologies are being replaced with new ones, there is a need for it in health system also. Technology has progressed so much in last few decades when it comes to medicine that it is almost not possible to work properly without it today. There is a need for new technologies to be given its role and place in every department so that proper service can be delivered to patients.

There is a need for adjustments and more changes in this sector regarding roles taken in this sector, whether it is a role of manager, role of doctor, role of assistant or role of nurse or a cleaner. If an organization is to be the first in its sector and by doing its business that it needs to have proper people on proper places, proper sources in hand and in use and a communication system that is working properly. This way a success is guarantied, for there is not a chance for organization to be big if it is not thinking big.

Talking about HRM will not make much sense if there is no one who listens to it. This can be also used when talking about HRM in health institution. There is very little understanding and consideration when it comes to this topic. When taking into consideration the use of HRM in hospitals in Bosnia and Herzegovina, it is seen that there is no, or a very little, understanding for it. Not to mention the use of it. The role that HR takes in hospitals in B&H is just in case of recruitment, no other roles are done by it, and as such has no any major role in any hospital. The main object to be done is to make an HR department that will be made of educated personnel in that field. As such, HR will have the role, not only for recruitment, but also the role of succession planning, managing strategic business partnership, managing working condition, employee support, employee promotion, managing rewarding system by effectiveness, information role regarding seminars and managing additional education and leadership development. Role of HR manager cannot be done by only one person, as it is

present in two hospitals who confirmed to have HRM. In those hospitals this role has been taken by directors of those health institutions, who beside all other obligation have this obligation to, and as such is not conducted properly. Which brings us up, again, to the topic that there is a need for additional personnel educated in this segment, if improvement is the goal. There is a need for delegation of roles. In this contest there is a need for separate, educated HRM section in hospitals. This way, HR functions will be obligated to take care of employees, their needs, for recruitment and new employments, organizing continued educations and keeping records of employees and their achievements and that way preparing recommendations for promotions or other benefits for employees. This way to employees will be given the attention and progress will be made in their better use and direction of the same. Hospital will make progress in many ways and will profit from it. Besides changing employee relations, better financial arrangement is needed also. Many financial supply's are directed on medical equipment that is not in use as much as other are. Also, a part of financial means need to be directed in buying new medical technologies that will facilitate, in many ways, hard operations and needs that doctors come face to face every day. This way besides facilitating the work, doctors and other personnel will have more time for new patients and hospital will profit from it in many ways. When it comes to education and education hierarchy in hospital it consists of large number of non qualified personnel or of personnel who have high school degree in medical profession. There is need for "new blood" in this sector. With employing new doctors and higher educated personnel, service will be better and process of medical treatment will be facilitated in many ways and will be faster and more efficient. Besides all mentioned, bonuses for employees need to be more directed in education and system of rewarding in promotion of the best employee. Till now it is seen in research that rewarding system only considers financial benefits and management support, in some of hospitals. More attention also needs to be given in education of directors and chief executives in leadership development and reorganization of organization succession planning. Development of strategies and management support needs to be conducted also if there is a will to progress in this sector. New financial plans need to be made, there is a need for evaluation system to be incorporated. This way a progress or a backwards will be seen and measurement for it can be proposed and conducted. Progress in this sector can be done also in connecting other institutions, such as other hospitals and faculties (medicine and economics), regarding getting "a fresh blood" (new employees) that can bring new acknowledgements new ideas and new ways of doing business.

When it comes to the part of what hospitals form Bosnia and Herzegovina can learn, or needs to take into considerations when it comes to USA hospitals it is quite simple. B&H hospitals need to invest more in education of personnel, make more practical trainings in profession of various employee levels. It needs to form a financial plan that will allow hospital to cover most important costs and to obtain enough financial resources for acquiring new medical equipment and technologies. There is also the question of HRM that needs to be resolved,

when it comes to hospitals in B&H. There is a need for separate HRM sector. HRM sector will have the roles of recruitment, succession planning, managing strategic business partnership, managing working condition, employee support, employee promotion, managing rewarding system by effectiveness, information role regarding seminars and managing additional education and leadership development. This way the role of HR manager will not be done only by the director of hospital, but will be decentralized, of course it will be supervised by the director and main decisions, as till now, will be made with accordance of supervisory board and with permission of director.

In all mentioned there are, as it can be seen, many parts on which it need to be work on. As such it is our obligation to contribute to it, for no matter how beautiful the strategy is we should occasionally look at the results. The results and proposition has been sent to hospitals but non of them answered.

CONCLUSION

The legend of a hospital that seems as a home, and where there are people who look us as a persons and not as an objects of illness or as a problem, is slowly becoming true. Although there is a still long way to go for it to be so, that way is in progress. This work reveals many positive and negative sides of HR parts in hospitals, as for B&H and USA also. It is seen that there is a need for better use of HRM in hospitals in Bosnia and Herzegovina, where this roll is taken by directors of hospital, mostly. Besides of all preparedness for obligation of human resource manager, one person can not operate on both sides. So delegation of obligations must be made.

This way there is a need for HRM to be included and conducted in hospitals for hospitals better functioning and to succeed in attention to prosper and to be the best in providing medical care. Although the most profit comes from part that is not medical, there should be more investing in medicine. The better the tools the better product- in this case- the better equipment, the better care for patients. The point of all this talk is to bring into the first plan the financial part also. There is a need for investing in new equipment, the one that is most needed and most in use, not the one to be considered to be needed.

When it comes to employees there is a need for redesigning rewarding system. Rewarding process needs to be focused on educating and management support more than on stimulation and salary increase. For, with more knowledge capital one can significantly improve the organization business, can secure and upgrade its incomes and as such can contribute to organizations financial goals.

When it comes to knowledge there is a need to create new process of evaluation of investments regarding this part. Some hospitals take into consideration looking over some-

ones work, but many factors influence on it day-by-day and as such is not measured appropriately. Neither are correct the questionnaires because employee will try to represent them self as better as possible on it. When a new, better system of evaluation is done, by its results it is needed for continuing education to be done for the best ranking employees.

Besides everything said and written, there is a need for educated personnel, which will ensure better care for patients and reduce unnecessary costs acquired with uneducated personnel. It is important to have in mind that many have different goals and strategies but one remains the same when it comes to hospitals – On the first place are the patients.

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APPENDIX

Appendix A

1 QUESTIONARY FOR HOSPITALS

Name of institution:

Interviewed:

1. What is the mission, vision and strategy of your Health institution?
2. Is there an HR department in your hospital, and who runs it? What are their main tasks?
If there is no department, who performs HRM function and which task are performed?
3. Does HR plays an important part in strategy implementation and what role? Does (non) existence of strategy has an influence on functions of HR management? Explain.
4. HRM departments in the last five years?
 - a) Yes
 - b) NoIf yes, which and what?
5. Do you think HR managers should have some specific skills?
 - a) Yes
 - b) NoWhich skills?
Do the HR managers in your hospital have them?
 - a) Yes
 - b) No
6. Does HRM, on any way, effects on the quality of the attention that is given to the hospital patients? How?
7. Is there anyone in your hospital with HR qualifications or is taking education classes for HRM? Were there workshops regarding HRM in the last few years and what was the response for that workshops?
8. What are advantages and disadvantages of current organization? How do you manage those weaknesses?
9. What are differences between you and other hospitals and why did you decided for those differences and how do you benefit from them?
10. Are you connected with other hospital institutions or schools? Which, why and what way?

11. Who runs HRM and organizational connections with other hospital or school institutions?
12. How do you choose managers/unit or department heads? Our managers are being chosen by their professional qualifications and skills, also by communicational skills.
13. Do you have meeting and which type are they?
 - a) Yes
 - b) NoIf yes, what type are they:
 - a) Informative
 - b) Agreement
 - c) Decision making
 - d) Other.

2 QUESTIONS FOR DIRECTORS OF HOSPITALS

1. Duration of work?
 - a) 5 years
 - b) 10 years
 - c) 15 years
 - d) Longer:
2. Do you have any former work experience in HR? How long and what function?
3. What are most often challenges:
 - a) Not enough educated staff
 - b) Financial limitations
 - c) Non-satisfactory work
 - d) Non-existence of performance evaluation.
4. Strategies being used:
 - a) Increase in salaries
 - b) Development of strategies
 - c) Management support
 - d) Additional professional specialization.
5. Was the strategy successful?
 - a) Yes

b) No

Was it measured?

a) Yes

b) No

If yes, when and which way?

6. Do you track employees work, and which way?

7. Do you have developed system for most efficient workers

a) Yes

b) No

If yes, which:

a) Salary increase

b) Bonuses

c) Continuation of education

d) Trainings

e) Program of development and promotion of employee

f) Something else.

8. Do you have meeting and which type are they?

a) Yes

b) No

If yes, what type are they:

a) Informative

b) Agreement

c) Decision making

d) Other.

9. Are trainings and additional education being implemented in your hospital or in other places?

10. What is the area of most training?

a) Profession related

b) Leadership

c) Personal development.

3 GENERAL QUESTIONS

1. Are there any competitions regarding hospitals and which ones?
2. Which certificates does your hospital have?
3. What are the hospital standards (for getting certificates and permissions)? Which of those standards have been fulfilled?
4. Which organizations are in charge for giving and checking for standards of certificates?
5. What is HR (directors) part in all this process named above?
6. What is the way of your financing (who distributes the amount and the on what way)?
7. What is the main part of your investment and what is the result of that investments?
8. Which part of hospital brings most profit? What is the strategy in that part (what is HRM and organizational influence in that part)?
9. Has there been a survey regarding working or employment satisfaction?
 - a) Yes
 - b) NoIf yes, results were:
 - a) Positive
 - b) Negative
10. Who conducted surveys? Who demanded them and why?