MEDICAL STAFF MOTIVATION POLICIES AMID THE SANITARY CRISIS IN ROMANIA – AN ANALYSIS OF EXPENDITURES

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Abstract:
Since march 2020, the public attention continues to be focused upon the social and economic effects of the unprecedented, for at least one century, sanitary crisis, and about the measures in order to combat the viral spreading, as the basic approach for a pursued back to normality. During this period, each "wave" continues to test the resilience of the sanitary system from a multiple perspective: human resources, endowment with equipments, and access to medical supplies. The aim of this paper is to analyze the human resources motivation policies applied in case of Romanian sanitary staff, trying to evaluate both their effectiveness and financial impact. Starting from the evaluations conducted both by the multiannual national budgetary comparison, and through reference to the European context, the conclusions try to outline the future developments in order to ensure the necessary balance between the costs effectiveness, on the one side, and, on the other side, the human resources motivation policies, as a prerequisite for the proper accomplishment of the sanitary system' mission, that is, the health protection of the population.

Keywords: *human resources motivation, healthcare expenditures, cost effectiveness, medical staff.*

JEL classification**:** I13, I18, M12

1. Introduction

Within the theory and practice of management, amid the consolidation of the knowledge-based economy and the penury of properly qualified human resources (**HR**), the latter tend to become the central managerial preoccupation. In this demarche, a distinguished attention is paid to their motivation, defined as the process of correlation between the accomplishment of the organizational objectives tasks and responsibilities, on the one side, with the individuals' necessities, aspirations and interests of the personnel, on the other side. In the literature, there are presented a plethora of motivation theories, starting to the well known ones of Maslow, Vroom, and Herzberg (Panisoara & Panisoara, 2005, pp. 27 – 50; Matei, 2006, p. 267), to works entirely dedicated to the topic of motivation (Panisoara & Panisoara, 2007). Interestingly, provided the specific economic and social abovementioned developments, it is noticeable that the literature of the last 20 years in the field has abandoned the mentioning of the *negative motivation* concept. In fact, concomitant to the ascension of the knowledge-based organizations' share in a knowledge-based economy, the classical paradigm regarding the equilibrium forces between the management and the personnel is changing in the favor to the latter, and the role of the former is in a continuous change (Nicolescu & Nicolescu, 2005, pp. 254-260). In a broader sense, the motivation can be defined with respect to the organizational stakeholders, by correlating their interests with approach and achievement of the organizational objectives (Nicolescu & Verboncu, 2001, p. 245). Although the classical approach of the motivation concept may be considered as a narrowed one, its prevalence in the literature has a clear determination, considering the deployment of the HR management within organizational context.

There has to be pointed out that, since 2016, within the state medical system, there has been a situation of shortage in the staff and their tendency to migrate to the private system or abroad. This evolution has been considered mainly as result of insufficient financial

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motivation (Curtea de Conturi a României, 2019, p. 34; European Commission, 2019, p. 78). However, the sanitary crisis occurred just after some improvements of their salary package in 2018, but the shortage maintained to that moment.

According to Romanian applicable law, the health contributions of all the employees are transferred to the unique national fund for health insurances, with managers appointed by the Government and under the control of the Parliament. This establishment has been often criticized, due to the possibilities to allow the political interferences, and the inherent difficulties in ensuring of an efficient management by a nationwide monopoly body. As the involved amounts, both as contributions and payments to the health services providers are very large, further analysis is necessary.

2. Motivation of the human resources – brief considerations

From the plethora of motivation theories in the literature, although each of them has certain merits, the approach originated in the works of Maslow (1943; 1954), continues to represent the benchmark, at least from the HR management perspective. According to this approach, the satisfaction of each category of needs present motivational value up to a certain level, according to each individual' needs, potential, and aspirations; afterwards, a plus in motivation is experienced only by satisfying a need of a superior degree. This idea, with clear boundaries between the categories of needs, can be represented as depicted in fig. 1. In fact, although the idea of the hierarchy of needs belong to Maslow, the well-known figure of the pyramid does not appear in any of Maslow's original works (Eaton, 2012); to the authors' best knowledge, the first depict of the hierarchy of needs belongs to Davis (1957, p. 41), which has been imagined the idea in shape of a stair.

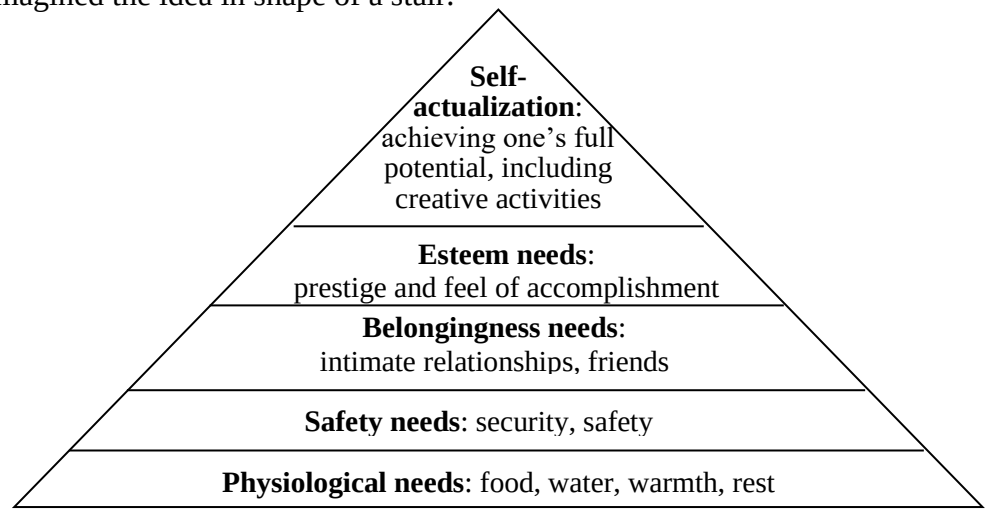

Fig. 1. Maslow's pyramid of needs. Source: adapted upon McDermid, 1960.

The wide spreading of the McDermid's representation in depiction of hierarchy of needs might be in nexus with the explaining of the limited possibilities of achieving and experiencing of work motivation, using money exclusively. Seemingly, the categories of needs are not strictly separated, but the boundaries between them are more fluid than in the traditional approach (fig. 2).

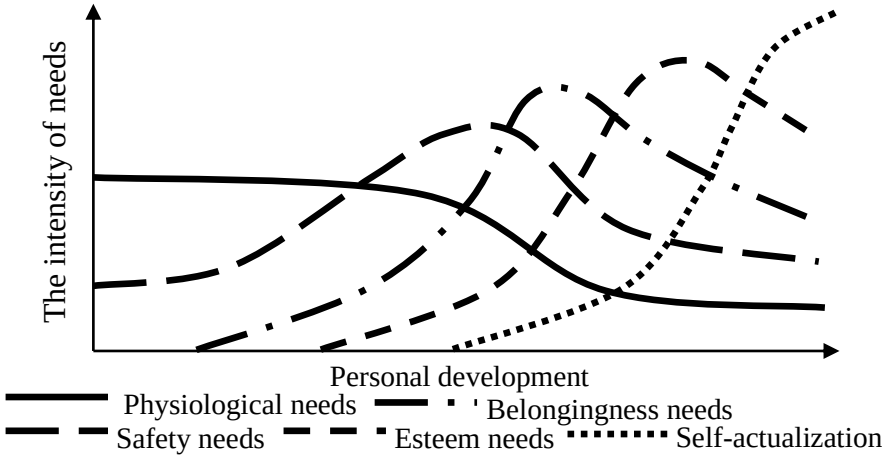

Fig. 2. Maslow's dynamic hierarchy of needs.
Source: adapted upon Nicolescu & Verboncu, 2001, p. 26.

Based on the above representation, it is noticeable that, from a certain point, although the satisfaction of basic needs has a reduced share within the entire personal motivation, the "low level" needs represent the fundamental layer that has to be met. In other words, in order to be effective, there has to use a mix of personnel motivations, considering that the only category of inexhaustible needs are those of self-actualization.

For the employer, the salaries represents an element of expenditures and, consequently, at least up to the fulfillment of the basic needs, the proper motivation implies mainly costs that have a clear financial expression.

3. Ensuring an adequate work environment of the nursing personnel – a review of measurements within the Romanian healthcare system

First, there has to be stated that the Romanian health system is financed based on the principle of the national solidarity, that is, the health contributions of all the employees are transferred to the unique national fund for health insurances, which contracts health services with the accredited providers. For this reason, the general activity of health services providers is strongly regulated, particularly with respect to the financial aspects.

Presenting of the measurements comprised in this paragraph has the purpose to illustrate the efforts in order to ensure the proper work environment for the nursing personnel, as a prerequisite of their adequate motivation.

In the context of triggering the health crisis, the line ministry, as the public authority responsible for ensuring health, respectively the health units coordinated and under its authority, under the provisions of the Decrees no. 195 and no. 240/2020 have been granted the possibility to directly purchase medical supplies and equipment necessary to combat the epidemic effects, in the limit of the budgetary funds distributed with this destination, with exceeding the value threshold established by *Act no. 98/2016 on public procurement*.

As result of the important shortage in health staff, there has to be considered legal provisions in order to facilitate the filling the vacancies, including executive and management positions and contractual staff without competition, by the appointment of the manager, with the establishment of the salary rights for the position held, according to the Framework *Act no. 153/2017 on staff paid from public funds remuneration*, with subsequent amendments and completions, as well as the possibility regulated by the *Decree no. 240/2020 on strengthening the administrative capacity of the health system*. Thereby, has been provided the possibility of hiring without competition, for a determined period of 6 months, medical contract staff, auxiliary staff, pharmacists, laboratory staff and other necessary categories of contract staff.

In order to support public health units facing staff shortages, the line ministry has adopted some measures for staff retention, as follows:

- the manager of each health unit with legal personality is allowed to set the number of positions, by personnel categories, between the minimum and maximum limit, according to the approved medical structures, within the bounded maximum personnel expenditures, as approved by the annual budget (Ministry of Health Order – herein after referred as MHO – no. 1224/2010);
- depending on their subordination, the health units may propose a motivated increase in the number of positions, as well as for technical, economic, and administration services, with the approval of the line ministry / the local public administration authorities, in case of hospitals subordinated to public administration authorities, according to the legal provisions, and in the framework of the personnel expenditures, approved as a maximum limit in the annual budget of each public health unit (MHO no. 1224/2010);
- granting a 20% increase in the salary to the staff of the public health units located in the localities with special conditions, or where the attraction of the staff is difficult (MHO no. 547/2010);
- the managers of public hospitals in situation of staff shortage, in order to provide the medical assistance, provided the organizational structure approved, may contract the services with authorized practitioners (Law no. 95/2006);
- within the guard lines organized by specialties, in addition to the physicians practitioners within a certain hospital, the manager may appoint physicians from outside the unit, provided they are confirmed by MHO in the specialty for the guard line (MHO no. 870/2004).

Obviously, the adequate motivation has to consider the working conditions. In this respect, there has been adopted regulations for the hospitals preparation in order to be able to offer healthcare both for infected and non-infected persons. The rights of approval for the structural changes within the health units, according to their specific needs, has been granted to Public Health Directorates (PHD) in the counties, as well as conducting of the epidemiological investigations and setting the start date of the quarantine period, and monitoring of the persons in solitary confinement at home.

An element widely used in describing of the medical staff working conditions is represented by the number of practitioner physicians (MD) and their charge, that is, calculated considering the entire population. The evolutions for Romania, in the period 2013 – 2019, and the comparison with 1990, are presented in the fig. 3.

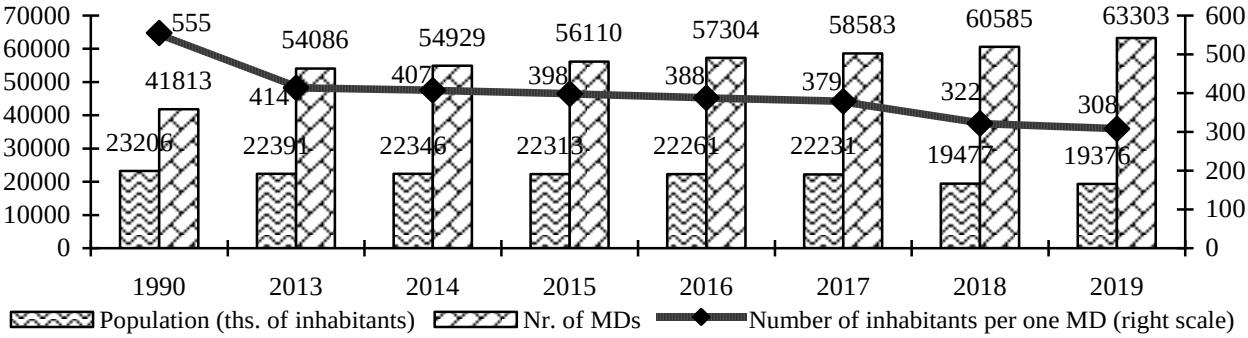

Fig. 3. The evolution in number of medical doctors and the number of inhabitants per one MD.

Source: authors' processing, based on the financial statements of the Romanian Health Ministry.

According to the data in the fig. 3, the number of practitioner physicians in Romania was of 41,813 in 1990. In 2017 the number increased to 58,583 and, consequently to adoption of Law no. 153/2017, the increase in pay, and other decisions designed for motivation the medical staff which provided, in 2019 the number increased to 63,303 MD. Amid the slight diminution in national population, there is noticeable the improvement in number of inhabitants per MD, from 555 in 1990, to 414 in 2013, and 308 persons in 2019. In this sense, there may be observed that, whilst the population diminished by about 17% in 2019 compared to 1990, the number of practitioner physicians grew by 51%.

Although the steadily increasing trend in number of MD during the analyzed period, the health workforce shortage continues to maintain in the country, and the numbers of physicians and nurses per capita are well below the EU averages (European Commission, 2021, p. 58). Furthermore, there are serious imbalances in their territorial distribution, with their concentration especially within big towns and university centers, concomitant to a serious deficit, particularly in case of disadvantaged and remote rural areas.

According to the National Health Strategy for the period 2014 – 2020, the line ministry adopted some regulations containing financial measurements aimed to motivate the staff, and to reduce structural imbalances from the perspective of human resources, with implications in diminution of the medical staff shortage (European Commission, 2019, p. 78). Thereby, by Law no. 153/2017, and subsequent normative acts, there have been provided increasing the salaries within the health system, which reduced the propensity medical staff for leaving the system, mainly for migration abroad. In addition the numbers of residential schooling were tailored in accordance to the needs: thereby, for the residency competition in November 2017, were put out to competition 4.000 places and positions of residents, and in 2018 the schooling figure was about 5.000.

There has to be pointed out that, according to Government Decision (GD.) no. 529/2010, the management of some units (hospitals) in the territory has been transferred to the local public administration authorities, that is, to Counties Councils. There have been noticed difficulties in institutional communication of the PHD's with these units, subordinated to the local public administration authorities (Curtea de Conturi a României, 2019, p. 31); however, this separation between the management and the control of healthcare providers represents a necessary condition in the reforming of the system.

As there been stated, the specific measurements in order to achieve health equity during the sanitary crisis, provided the demand for treatment of not only from the persons directly affected by the pandemic, and the overload of clinical capacity, with implications in expenditures, addresses the financial stability of the system.

4. Ensuring a proper balance between motivation and financial stability of the system

In any strategy, the resources represent a key element; consequently, amid the sanitary crisis, in the framework of health strategy of the line ministry, the allocation of the public resources aimed to prevent and combat the viral spreading and to manage the emergencies has moved up among the first priorities.

For an overview of the available resources of the healthcare system, the structure of the ministry budget approved for 2020, by titles of expenditure and cumulative financing is presented in the fig. 5.

The shares presented in the fig. 5, correspond to a total amount of approved budget of 10,656,357 ths. RON. During the year 2020, according to the legal provisions, as well as the evolution of the pandemic situation, there were established plans for carrying out, monitoring, testing and home confinement, including the manner of deployment and the settlement of these services. Thereby, the services of testing and home confinement were carried out under the supervision of the counties PHDs. The services have been settled through the funding

requests, issued by the local public administration units accompanied by tables comprising the persons involved in provision of the respective services.

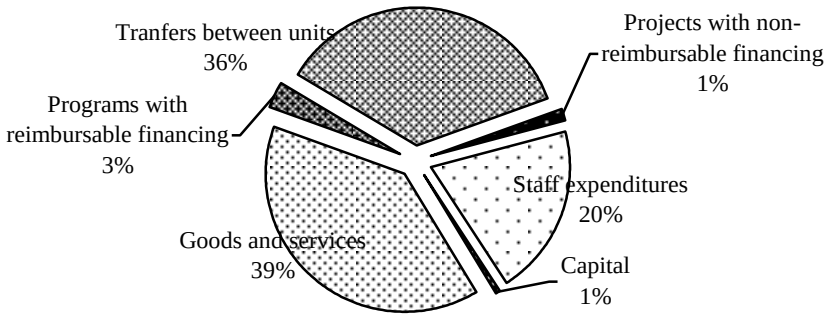

Fig. 5. The shares in the expenditures in Health Ministry budget, 2020.
Source: authors' processing, based on the financial statements of the Romanian Health Ministry.

Analyzing the public situation presented by the Ministry of Health with respect to of the expenditures in the field, comprising the funds allocations used in the control of the pandemic, some observations are presented subsequently. Thereby, for the prevention and control of the epidemic, the Public Authority responsible for health, and within the national program for diseases prevention and control, the allotted amounts are presented in the fig. 6.

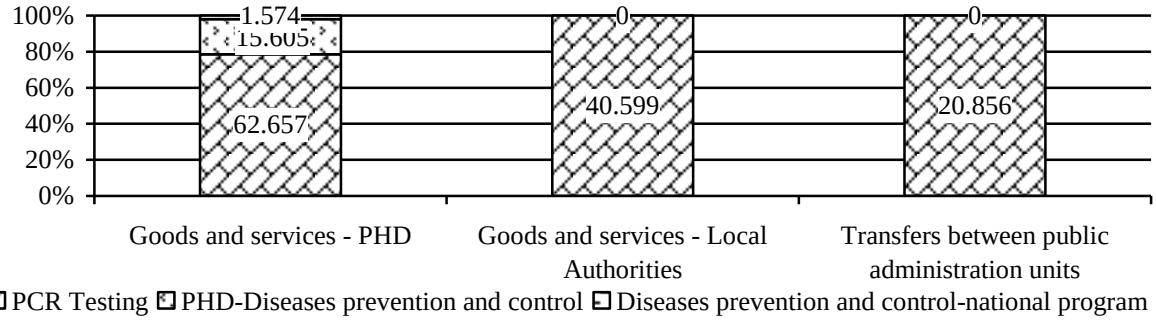

Fig. 6. The funds allocation for the diseases prevention and control.
Source: authors' processing, based on financial statements of the Romanian Ministry of Health.

From the data presented in the above graph, there may be observed that during the state of emergency, out of the total budgetary provisions approved, in the amount of 139,917 ths. RON, the financing granted for the own activity of PHDs represented an amount of 1,574 ths. RON, corresponding to a share of approximately 1%.

The Ministry of Health budget was supplemented from the Government Reserve Fund with the amount of 350,000 ths. RON, of which 100,000 ths. RON under the title "Goods and services", and, respectively, 250,000 ths. RON under the title "Transfers between units of public administration" (GD. no. 171/2020). The amounts thereby allocated have been used for the preparation of health units for care of patients affected by the pandemic, as well as the development of priority actions necessary for care and treatment of critical patients.

A particularly important role in combating the epidemic was played by the medical staff, who provided emergency medical services, continuous hospitalization and primary care services to all insured and uninsured persons. In order to ensure the proper financial motivation of the nursing personnel directly involved in the combating the effects of the pandemic and restoring the health state of the affected persons, the *Emergency Ordinance no. 43/2020 for the approval of some support measures settled from European funds, during the state of emergency,* provided the granting of a risk incentive, in amount of 2500 RON (~500 Euro).

In addition, considering the novelty and unknown features of the infection, according to GD. no. 1035 in 11/27/2020, the nursing personnel directly involved in care of the persons

affected by the pandemic (transport, equipment, evaluation, diagnosis and treatment of patients), have been granted with bonuses for particularly dangerous conditions of 75% to 85%. Also, under some specific legal provisions, there have been some specific incentives for the medical staff parents caring for children, which could not benefit of days-off during the period of schools closure.

The situation of expenditures for "Health" allocated from the state budget in the period 2016-2020 in presented in the fig. 7.

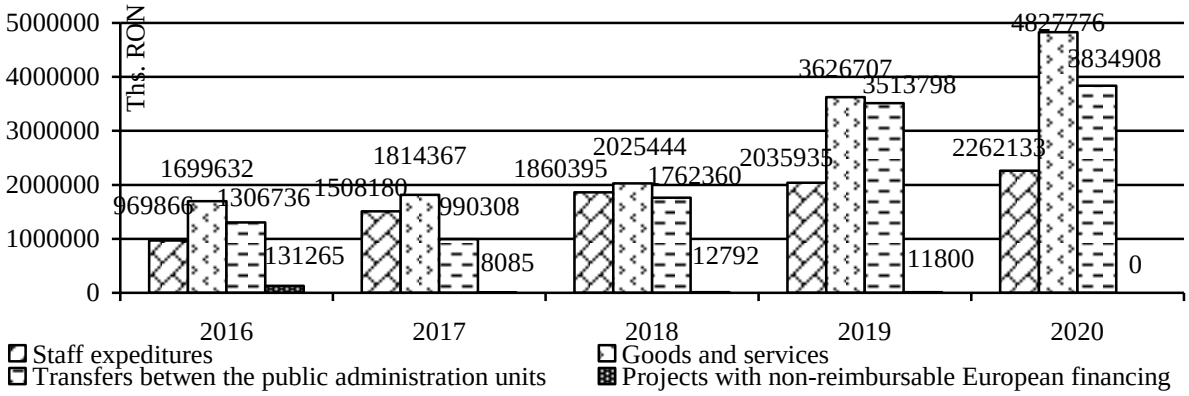

Fig. 7. Situation of expenditures for "Health" allocated from the state budget in the period 2016 – 2020.

Source: financial statements of the Ministry of Health.

From the analysis of the above graph, there may be observed that, during the analyzed period, the largest share in health expenditures from the state budget was granted to goods and services – about 40%, followed by expenditures on transfers between units of public administration – about 32%, and staff costs – about 24%. Not least, it is noticeable the negligible share of the projects financed from the European grants, of whose value continuously diminished, from about 131 ths. Ron in 2016 to 0 in 2020. This situation may be considered as symptomatic for the national health system, characterized by the lack of the large investments in the care infrastructure; that is, in the last 30 years there had not been built any new hospital from the greenfield, but the investments have been directed for the maintenance of the existing infrastructure, which usually comprises half-centenary and, sometimes, centenary buildings. The drawback of such an approach is that often the existing infrastructure is not compliant with the new care standards (e.g., doors less large than the breadth of the beds, which impede the evacuation of critical patients in case of emergency).

Also, there is noticeable the upward trend of the expenditures on transfers between units of public administration, in the period 2016 – 2020, which increases from 1,306,736 thousand RON to 3,834,908 thousand RON, except the diminution to 990,308 thousand RON in 2017.

In the current context, there has observed a significant evolution in transfers between public administration units; thereby the amount in 2020 compared to 2016 increased by 2,528,172 thousand RON. This development is based on augmentation in the amounts allocated by the Ministry of Health, aimed to improve the quality of medical care services provided, and the pay of the medical staff, bonuses included.

From the above presented, there may be noticed significant increases in allocated resources for healthcare purposes. However, considering that Romania represents of the EU member states, a country cross-sectional comparison within the European framework, represents a necessary perspective. The per capita total (public and private) allocation for healthcare expenditures in 2018 is presented in the fig. 8.

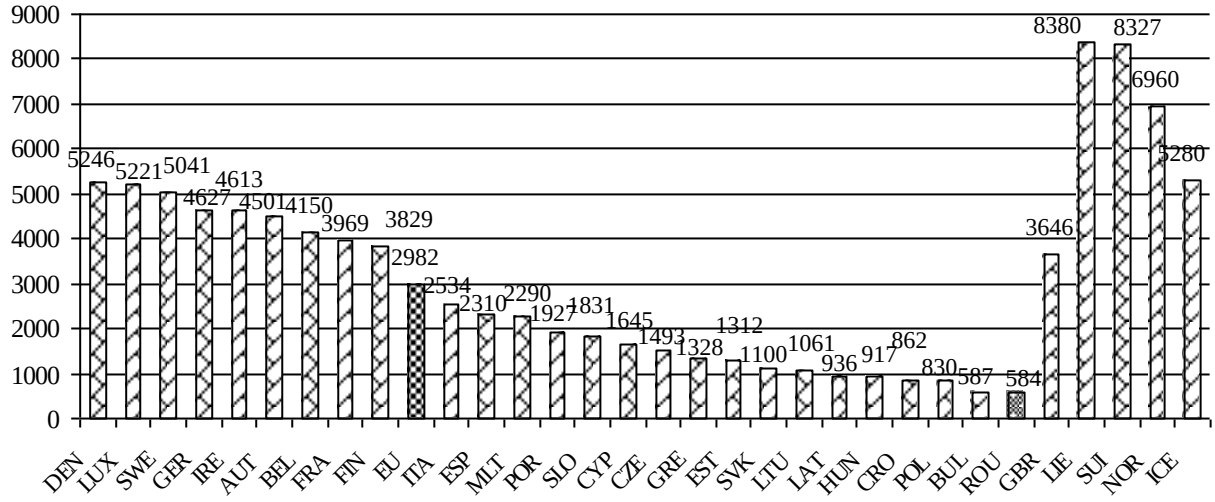

Fig. 8. Total (public and private) allocation for healthcare expenditures in 2018 in the EU and EEA countries.

Source: authors' processing, based on Eurostat data.

Analyzing the above graph, may be noticed the very large range of variation of the allocated amounts across the EU Member States, from over 5000 Euro p.c. in Denmark, Luxembourg, and Sweden, an European average of about 3000 Euro p.c., to less than 1000 Euro p.c. in Latvia, Hungary, Croatia, and Poland. With allocations of only 584 Euro p.c., Romania occupy the very last position in the abovementioned ranking, outpaced by Bulgaria, with an insignificant larger value (587 Euro p.c.); however, the figures for the two countries are significantly lower than the following tail positions, beginning with Poland, with 830 Euro p.c.

Another approach that may be considered in analysis of the healthcare expenditures is represented by their share in the GDP. The allocations in Romania of about 5.7% of GDP for healthcare expenditures in 2019 represent the second lowest among EU countries. For the same year, compared with the average expenditures per capita across EU countries of 3.523 Euro, Romania spent 1.310 Euro (at the purchasing power parity), i.e., far less than a half of the EU average. The public share of health expenditures is consistent with the EU average of 80% (in 2019, similar to the situation in 2018), whilst the formal out-of-pocket payments of 18.9 %, are above the EU average of 15.4 %. With regards the informal payments, international reports in the field consider that they *are believed to be substantial, although their full extent is unknown* (OECD/European Observatory on Health Systems and Policies, 2021, p. 9).

5. Discussion and conclusions

The HR motivation represents a topical point within the general managerial theory and practice. Considering the ongoing sanitary crisis, ensuring of the properly qualified nursing personnel and physicians within the healthcare system gains an increasing importance. In the particular case of Romania, the pandemic outbreak took place just after some increases in pay of the medical staff, aimed to reduce their migration to the private system or abroad. However, as the shortage maintained to that moment, there have had to be considered supplementary measures in order to fill up the vacancies and to reduce the shortage in staff including, if necessary, hiring without competition, for a determined period of 6 months, of medical, auxiliary, laboratory staff, pharmacists, and other necessary categories of contract staff (Decrees no. 195 and no. 240/2020).

Beyond the general importance of the HR motivation, the issue of medical staff motivation makes necessary a closer view to some connected aspects. As there might be noticed from the previous analysis, the Romanian healthcare system is characterized by a chronic

under-financing; consequently, it is less attractive for the private investments. The healthcare services market is characterized by a certain competition between state hospitals, that is, either directly subordinated to the Health Ministry, either to counties councils. There may be argued that the network of some private units is continuing to grow, and might be expected that these units, once they get a critical mass, to put pressure on the system towards its reformation. The necessity of the reform clearly results from the frustrating persistence of the informal payment phenomenon, despite the mentioned increases in pay of the staff. Indeed, there has been tried that the increasing in salaries to be correlated with some initiatives meant to prevent the medical staff working in public hospitals to have contractual relations with private health services providers; this rule is applicable to nursing personnel but for medical doctors, due to mentioned shortage in personnel at the moment of pandemic outbreak.

Besides, the public interest for the right financial motivation of the medical staff is connected with the mainly public (or, rather state) ownership of the healthcare network, particularly the hospitals publicly considered as relevant. In this context, considering also the share of out-of-pocket formal payments, from the public point of view, the researches regarding the motivation of the medical staff is connected to issue of the healthcare services quality. In this respect, there has to be stated that the quality of medical services depends, upon the quality of the medical staff, the quality of the applied treatments, and the quality of the equipments and medical supplies (Catuneanu et. *al*., 2002, p. 111). As the quality of the medical staff is beyond the discussion, in case of Romania, their motivation is considered as one of the main sources in quality improvement of the medical services provided. On the other hand, there may be considered that the government hesitation for the mentioned increases in pay might be issued from the respect of the financial stability of the system; this is the reasons for above presentation of the system expenditures. Not least, considering the design of the system, the issue of the financial motivation of the personnel might be approached from a societal perspective (Susskind, 2019, 297-299).

Within the design of the Romanian healthcare system, the state occupies the central place, both as regulation and control authority through the line ministry, local control through PHD in the counties, services provider via the hospitals network, and, not least, holder of the financing lever, by the National Health Insurance House (NHIH), as the unique administrator of all the health mandatory contributions of the Romanian employees. Indeed, there is a separate House which administrates the health contributions of personnel in justice, home office, and national security institutions, but this cannot ensure a real competition on the healthcare market. Within this design, it is difficult to imagine a real negotiation of the tariffs for services between the healthcare providers, on the one side, and NHIH, which practically holds a monopoly position, on the other side; in current speaking, it is said that the latter *establishes* the healthcare service tariffs. In our opinion, the starting point of the real Romanian healthcare is to establish guiding lines for the market competition between the private health insurers (e.g., following the Belgian model). Consistent to the European approach in the field, the state continues to play an important role in ensuring the check-and-balance between the market players, as follows: the Health Ministry as the line policies regulator, and the control authority with respect to quality of the provided services, mainly exerted via the PHDs in the counties; and restructuring the role of the NHIH, as the administrator of the guarantee fund. The insurers, which collect the mandatory contributions, as the representative of the payers, act as the demand side, by contracting services with the providers, which represent the supply side of the market. There might be argued that the number of insured persons is insufficient in order to ensure the proper financial support of the system; however, this is a weak argument, considering the general shortage in national workforce market. Besides, this may lead to an increased public awareness of personal

benefits as result of participation to regulated work market, and rejection of informal (in various degrees) pay for work.

Form the above analysis, it seems that the current design of the national healthcare system has a limited role in encouraging of the competition in resources allocation, and this may result in reduced efficiency, besides the diminished effectiveness, often denounced by the patients' associations, as well as the lack of systematic performance assessment, and the reduced transparency (European Commission, 2019, p. 78). The motivation of the staff, their permission to practice for private health providers are part, maybe of the most visible, facet of an entire iceberg, which may be addressed in the framework of a functional system.

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