

# The need for a paradigm shift and people management – the case of an Integrated Responsibility Center

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#### **Graphical Abstract**





#### Abstract

In recent decades, the healthcare sector has faced significant challenges arising from technological advancements, demographic changes, and socioeconomic pressures, exacerbated by population aging. In Portugal, factors such as the SARS-CoV-2 pandemic and the emigration of healthcare professionals have worsened these issues. To address these challenges, healthcare organizations have implemented people management practices focused on continuous training, talent retention, and incentives, aiming to improve employee satisfaction and the quality of care provided. However, resistance to the traditional centralized management model remains an obstacle to adapting to current demands. In this context, the creation of Integrated Responsibility Centers (IRC) stands out as a solution to overcome the limitations of these outdated models. The aim of the study was to analyze the effects of changes in people management in the healthcare sector, with a focus on public hospitals, and to understand how the Ophthalmology IRC reflects new people management practices. The methodology consisted of a qualitative case study, including document analysis, bibliographic research, and interviews conducted with healthcare professionals (nurses) from the IRC. The results indicate that the IRC is perceived as a reference institution that offers attractive and transparent working conditions, demonstrating a strong concern for the organization's reputation. It is concluded that the IRC adopts a decentralized management model that promotes autonomy and continuous professional development, resulting in greater satisfaction, commitment, and efficiency in the care provided.

Keywords: Management. Organizational Change. Healthcare.

#### INTRODUCTION

In recent decades, the healthcare sector has undergone profound transformations driven by technological advancements, demographic changes, and socioeconomic pressures. These challenges demand organizational innovations to meet citizens' growing expectations and manage costs sustainably. One example is population aging, which increases the demand for long-term care and specialized services, highlighting the need for more effective human resource management to ensure quality and accessibility<sup>1,2</sup>.

In Portugal, factors such as the socioeconomic context and the SARS-CoV-2 pandemic have intensified these challenges, exposing issues like the high emigration and turnover of healthcare professionals, particularly nurses, who seek better working conditions. Recent data indicate that many Portuguese nurses have migrated to other European Union countries in search of better opportunities<sup>3</sup>.

This scenario reflects a global reality where qualified professionals expect more from employers, valuing flexible careers and development opportunities. In response, healthcare organizations have adapted their practices, placing greater emphasis on the development and retention of human talent rather than focusing solely on products and services. This investment in people aims to drive innovation and increase patient satisfaction<sup>4</sup>.

Thus, human capital management has become central to organizational sustainability and to meeting contemporary demands, such as process digitalization and global competition. The importance of talent management strategies has been increasingly emphasized in recent literature<sup>5</sup>.

The adoption of these strategies has been highlighted by several authors, such as Martin<sup>6</sup> and De Vos and Dries<sup>7</sup>, who emphasize that healthcare organizations face increasing demands due to technological modernization and demographic pressure. In the global context, technology connects markets and facilitates the exchange of ideas, making the implementation of management practices that foster a positive organizational climate



and the recruitment of candidates with suitable skills even more critical<sup>8,9,10</sup>.

In the Knowledge Era, intangible resources such as intellectual capital gain prominence in value creation. This concept encompasses professionals' skills and experiences, organizational culture, and institutions' capacity for innovation. Gomes D. argues that healthcare organizations should adopt characteristics of learning and agile organizations to address the challenges of the sector<sup>11</sup>.

Investment in continuous training programs, such as internships, has proven effective in attracting young talent and developing essential skills like communication and teamwork, which are crucial for the efficient functioning of the healthcare environment<sup>12</sup>.

On the other hand, people management policies have begun incorporating financial incentives and complementary benefits, which are essential for retaining professionals. Performance-based incentives and appropriate working conditions foster employee commitment, reduce turnover, and enhance the value of human capital. Nowadays, human resources are recognized as a strategic investment, with people management playing a central role in determining organizational outcomes<sup>13,14</sup>.

Recently, HR departments have evolved from a purely administrative role to a strategic function. The people manager is responsible for developing initiatives based on entrepreneurial management principles, acting flexibly and aligning with the institutional goals of organizations. Ulrich *et al.*<sup>15</sup> and Bounassar<sup>16</sup> emphasize that, beyond mastering HR techniques, these managers must foster a healthy organizational culture and establish personal credibility.

According to Peloso and Yonemoto<sup>12</sup>, aspects such as financial compensation, tax benefits, workplace hygiene and safety, and good labor relations are essential for talent retention. Financial compensation is a powerful tool for attraction and should be aligned

with employees' needs to maintain stable relationships. Tax benefits complement remuneration and play a crucial role in retaining talent. Workplace hygiene and safety ensure suitable conditions for well-being, reducing turnover, while good labor relations benefit both employees and the organization.

The introduction of quality standards in organizations has helped reduce rigid hierarchies, focusing on user value, employee accountability, and process improvement. Creating ideal conditions to meet the needs of increasingly demanding and informed users is essential<sup>17,18</sup>.

The quality of care thus depends on people management policies that provide incentives and tax benefits to attract and retain talent. However, in Portugal, the organizational model remains traditional and bureaucratic, even after the hospital corporatization reform in 2005. This model hinders the flexibility and autonomy of professionals, making it challenging to adapt to the current context<sup>19</sup>.

In this context, it is relevant to explore the extent to which the implementation of decentralized structures, such as Integrated Responsibility Centers (IRC), aligns with the new paradigm of people management. Created in 1999, IRCs are intermediate management structures that promote decision-making autonomy, breaking down the hospital structure into smaller-scale units, facilitating management, and fostering a more responsive environment to the sector's needs<sup>20</sup>.

This study explores the transition to talent management practices in the public healthcare sector in Portugal, focusing on the role of the Ophthalmology IRC as an example of a microenterprise within the hospital. The aim is to understand the effects of these practices on the efficiency and satisfaction of healthcare professionals and to evaluate whether the decentralized management model contributes to improving the quality of patient care.



# METHODOLOGY

This work conducts a qualitative case study. The choice of the case study methodology is justified by its ability to adequately address research questions such as "how" and "why," enabling intensive and in-depth analysis of a specific unit and providing a detailed understanding of the internal dynamics of the IRC. The decision to adopt this approach was reinforced by the unique context of the IRC in guestion, which presents specific characteristics in terms of management and organization, as well as its relevance to the public healthcare system in Portugal. This IRC was selected as a representative example of management practices in hospital units, with features that can provide valuable insights for similar units and hospital management in general.

The theoretical foundation of the study is based on established authors and models in the fields of Healthcare Management and Health Unit Management, such as Greenhalgh and Matt Erhard, who discuss the dynamics of people and material management in hospital environments<sup>21</sup>. The literature review highlights management practices that promote efficiency, sustainability, and quality in patient care, with a particular focus on process integration and strategic management in hospital units. These practices include long-term strategic planning, multidisciplinary team management, and the use of information systems to optimize resource management.

The IRC under study follows several of these management practices, which justifies its selection as the object of analysis. The unit adopts a strategic management model aimed at the efficient coordination of services and resources, as well as the continuous improvement of the quality of services provided.

Data collection was conducted through bibliographic research and document analysis. The bibliographic research included consultations of academic databases such as PubMed, Scopus, and Google Scholar, focusing on publications about Healthcare Management and IRCs, selecting materials based on thematic relevance, publication date, and academic impact. Document analysis involved reviewing publicly accessible reports and internal documents provided by the hospital institution, detailing the management practices of the IRC under study.

This study adhered to strict ethical standards, ensuring the confidentiality and privacy of the data used. All analyzed documents were obtained from public sources or provided by the hospital institution with formal consent, in compliance with data protection regulations. The confidentiality of sensitive data has been and will be maintained, and no personal information will be identified or disclosed. The study complies with ethical guidelines for health research.

The IRC selected for this study is an intermediate management unit of a public hospital in Portugal, playing a central role in the implementation and coordination of healthcare services within the institution. The IRC is responsible for resource management, strategic planning, and the continuous improvement of the quality of services provided to users. Its organizational structure consists of multidisciplinary teams working collaboratively to ensure the efficiency and sustainability of the services.

## RESULTS

The IRC, according to Decree-Law No. 374/99 of September 1820, aims to achieve a high level of efficiency from the services

and their respective professionals. It involves remuneration and financing rules directly dependent on the volume of activities perfor-



med, productivity levels, and the quality of the results achieved.

The hospital is a complex structure. The decentralization of power into strategic management units in specific areas grants them greater autonomy, empowerment, and accountability, providing more flexibility and making the structures less hierarchical and less bureaucratic<sup>10</sup>. There is a sense of trust placed in this structure, which is also reflected among all members of the IRC team.

From the qualitative analysis of institutional documents and semi-structured interviews conducted with the nurse manager and other team nurses, it was found that the hospital structure, organized into strategic management units, provides the IRC with greater autonomy. This organization enables decentralized management, as reinforced by statements such as that of the nurse manager, who said, "having autonomy in clinical decision-making streamlines care and increases our confidence in solving problems without going through multiple hierarchical levels." The analyzed accounts indicate that this decentralization positively impacts the agility of operations and team satisfaction, facilitating prompt responses to daily clinical challenges.

The culture of the IRC is rooted in transparency and collaboration. The IRC adopts a participatory approach in which members have an active voice in strategy definition, as expressed by one of the nurses: "My opinion is valued here, which strengthens my commitment to the team." This sentiment is corroborated by document analysis, which shows that regular meetings encourage open communication. This participatory culture is highlighted by Lacombe and Heilborn<sup>22</sup> as fundamental for aligning professionals' attitudes with organizational goals.

The multidisciplinary team highlighted that the IRC fosters innovative practices and encourages participation from all members. Meetings are planned to allow each member to propose solutions, such as improvements to the service area. The team's ideas are taken into account to develop increasingly efficient and collaborative clinical practices. This participation is cited by interviewees as a factor of motivation and productivity, illustrating the application of the horizontal management model.

This IRC also operates in alignment with the mission of the Hospital Center (HC), with internal regulations contextualized within the hospital's functional and care structure. Its action plan is integrated into the HC's strategic plan and is adjusted annually through a Program Agreement (PA) established between the Board of Directors (BD) and the IRC management board.

The IRC is part of a national network of service providers, which helps reduce waiting times for surgeries and serves patients from various regions, such as the Algarve and Alentejo. Performance indicators show that the care network has optimized task redistribution, resulting in shorter waiting lists. Nurses described specific cases of patients whose surgeries were brought forward, for example, by two weeks, due to strategic task redistribution. This approach improves care and reduces waiting lists, increasing patient satisfaction.

The IRC adheres to the Hospital Center's regulations, updating its action plan annually in accordance with the Program Agreement. Priority is given to recruiting experienced professionals, particularly in ophthalmic surgery, as expressed by new members: "The integration was facilitated by onboarding sessions led by senior members, which helped us understand the IRC's goals and practices". This alignment enhances the adaptation of new staff and strengthens their engagement with the team.

The performance evaluation of professionals through SIADAP (Integrated System for Performance Evaluation in Public Administration) is important for providing continuous feedback and guiding skills development. These evaluation meetings also serve to assess whether there is a need for changes in team strategies.

Regarding professional training, it was identified that the IRC encourages conti-



nuous professional development, as mentioned in interviews: "Participation in courses increased my confidence and practical skills." One nurse reported that after completing a training course, they applied new care methods, leading to improvements in care quality. Research is promoted by managers and is included as part of the indicators for achieving institutional incentives.

The IRC invests in technology and team training, focusing on autonomy and efficiency. The adoption of new technologies was cited as a factor that enhances the IRC's competitiveness and efficiency, aligning with the excellence sought by the center.

The analysis of the interviews and IRC legislation revealed that the reward system includes institutional incentives based on individual and collective performance. This

system, which encompasses salaries and productivity bonuses, is highlighted in statements such as "the incentives motivate me to improve my performance." These rewards were introduced as a strategy to increase commitment to the IRC's objectives and retain employees.

The IRC also gathers external capital, both through knowledge gained from its users and through external suppliers, as a way to enrich its intellectual capital. The IRC is perceived as a reputable institution with attractive and transparent working conditions, demonstrating a strong concern for its reputation.

These results, grounded in concrete data and analyzed in depth, demonstrate the effectiveness of the IRC's management model in promoting autonomy, innovation, and motivation through a structured reward system.

## DISCUSSION

In the management of the IRC, each professional's talent is valued, recognizing their knowledge and experience. According to existing literature, valuing workers for their knowledge is an effective practice for meeting the needs of healthcare organizations. Studies, such as those by Munck<sup>23</sup>, demonstrate that aligning professionals' skills with organizational needs improves the quality and efficiency of services. However, for a deeper understanding of this relationship, it is essential to integrate established theories and models of talent management<sup>24</sup>, which emphasize the importance of aligning competencies with organizational strategy to achieve effective results. Additionally, including specific empirical studies documenting the successful implementation of this approach in different healthcare contexts would be valuable.

This management structure, which promotes continuous learning and autonomy, supports the constant development of knowledge. Training and research are fundamental pillars for improving clinical practice and promoting health gains, having shown positive results such as enhanced clinical competencies and a reduction in medical errors. These outcomes demonstrate that investments in capacity-building have a direct impact on the quality of care, reflected in improved team performance and greater efficiency in the services provided.

Another central aspect of the IRC is its friendly organizational culture, which prioritizes valuing the skills and potential of each member. This concept involves a work environment where autonomy is respected, and professionals are empowered, meaning they have greater capacity to make decisions that directly affect their work and the organization's outcomes. The practice of empowerment results in greater involvement and accountability from professionals, contributing to organizational success. Teamwork, based on complementarity and collaboration among different professionals, further strengthens this positive culture. However, it is important to note that in organizations with traditional management models, based on



rigid hierarchies, this cultural transformation can be challenging, requiring a gradual adaptation to the new management paradigm.

Shared accountability for results strengthens organizational cohesion, retains talent, and encourages productivity, as demonstrated in the works of Almeida<sup>25</sup> and Aamodt<sup>26</sup>. A well-implemented incentive and reward policy plays a crucial role in motivating and satisfying professionals. However, this policy must be tailored to the realities of each organization, considering its financial and cultural constraints.

Despite these positive aspects, it is crucial to adopt a data-driven and critical approach to evaluate the impact of talent management in the IRC. The lack of clear success indicators hinders an in-depth analysis of this approach's effects. To measure the success of talent management, specific indicators are essential, such as improvements in the quality of care provided, patient satisfaction, staff retention, and operational efficiency. Defining metrics like professional turnover rates, patient satisfaction levels, and quality of care indicators would allow for more precise monitoring of the effectiveness of talent management strategies. These data could be used to adjust practices and identify areas for continuous improvement.

Contextual variations between different healthcare organizations must also not be overlooked. Each hospital institution has its own unique characteristics, such as organizational culture, financial resources, and specific challenges. Thus, talent management strategies must be flexible and adaptable to these differences. What works well in one organization may not have the same impact in another, depending on internal structures and external conditions. Recognizing these differences and tailoring talent management practices to local realities is crucial for ensuring long-term effectiveness and sustainability.

Finally, implementing a positive organizational culture faces significant challenges. Resistance to change can arise from both managers and professionals, complicating the adoption of new management models. Financial limitations and insufficient resources can also be major obstacles to implementing talent development strategies. Creating and maintaining a positive organizational culture requires time, continuous effort, and investment in appropriate resources, often constrained by external factors such as political changes or shifts in leadership.

Therefore, it is essential for public hospital managers to define talent management strategies realistically and specifically, tailoring them to local conditions and financial limitations. For instance, in scenarios with restricted budgets, development programs may be more effective if focused on lowcost actions, such as internal mentoring and personalized training, rather than expensive external courses.

## CONCLUSION

In conclusion, this study investigated whether the Ophthalmology Reference Center adopts a new paradigm in people and talent management, aligning with contemporary trends of decentralization and empowerment in the healthcare sector. The initial hypothesis—that the IRC follows these modern management practices—was confirmed by various findings supporting this assertion.

This study reveals that the management

model of the Ophthalmology Reference Center departs from traditional hierarchical and centralized systems, adopting a more flexible and decentralized structure. The delegation of clinical decisions and emphasis on multidisciplinary teams are clear practices that confirm this transition. Previous studies suggest that this type of management leads to greater professional satisfaction and performance, which was observed in the IRC,



with increased team engagement.

The IRC places significant emphasis on valuing its professionals, recognizing that motivation and continuous training are essential for service quality. The implementation of regular training programs and structured feedback are examples of how the institution fosters the ongoing development of its staff, resulting in greater satisfaction and work efficiency.

The IRC also adopts empowerment practices, granting professionals greater autonomy in decision-making. This focus on autonomy and engagement contributes to a more collaborative and productive work environment, leading to reduced turnover and increased commitment to organizational outcomes. The joint review of care management policies has been an effective strategy to strengthen this autonomy.

The results of this study confirm that the IRC aligns with the new paradigm of people and talent management. Organizational trans-

formation has shown significant progress, but it is essential for managers to continue adopting flexible and participatory practices. Maintaining active participation of professionals in decision-making and the development of organizational culture will be crucial for the ongoing success of this transformation.

Healthcare organizations, both public and private, must ensure that their management strategies align with employee needs, fostering a culture of trust and growth opportunities. Investing in continuous training and appropriate incentive policies can further strengthen the relationship between managers and employees.

In summary, adopting a new management paradigm should not be seen as an administrative obligation but as a strategic opportunity to improve the quality of care and ensure the competitiveness of healthcare organizations. However, these changes must be tailored and adjusted to the specific reality of each institution.

#### **CRediT** author statement

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