Original Article

The challenge of outsourcing of hospital services in Iran: A qualitative study

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Abstract:

INTRODUCTION: Outsourcing, as one of the important managerial strategies to improve performance, has become one of the main areas of research in hospital management studies. The aim of this study was to identify the challenges of outsourcing hospital services in Iran.

METHODS: This research was conducted in a qualitative manner with the aim of determining the challenges of outsourcing hospital services in Iran. The research community consisted of managers and experts in the field of outsourcing. 21 managers and staff experts of the Ministry of Health, universities, and hospitals affiliated to Iran University of Medical Sciences, Tehran, and Shahid Beheshti, were selected as the target for the interview. Finally, the data were analyzed using content analysis method.

RESULTS: Outsourcing challenges were extracted and reported in the form of 6 theme topics and 40 subthemes. The main issues included legal and political challenges, finance, human resources, organizational, managerial, and private sector.

CONCLUSION: Outsourcing hospital services in all six areas faced serious challenges. To this end, partnership between the private and government sectors through outsourcing requires the continuous development of effective political, organizational, and managerial capacity in order to guide and manage this process properly and efficiently to ensure that the goals and policies in the field of health. It is clearly understood and not forgotten or neglected.

Keywords:

Hospital administration, hospital shared services, outsourced service, qualitative research

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Introduction

One of the major challenges of hospitals, especially government hospitals, which are the largest and most important component of providing health-care services to the community, is their current performance.[1] Government hospitals are one of the most important organizations in the field of education and health services, and most health professionals spend part of their training in these hospitals,[2] so the performance of these centers has a great impact on the functioning of the health system, and they have the treatment of the country and are considered as an important part of the efficiency of the health system.[3] On the other hand, government hospitals have the largest budget for the health system and the largest number of human resources in the health sector, but they have not been able to provide sufficient satisfaction to patients, society, and learners.[4,5] The main problem seems to be the way the hospital is managed, the incompatibility of organizational responsibilities and positions in the hospital wards, the separation of education from treatment, the waste of resources, and the lack of competition with private organizations.[6]

As one of the most important pillars of the health system, the hospital needs to transfer

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part of its services to external organizations. All over the world, the provision of health services by the private sector and other organizations is common, and even in some countries, such as the United States, the private sector has a more active role in the health system, while in Iran, the private sector role in providing health services is much smaller.[7] Numerous studies have shown that the provision of services by the government sector imposes a heavy financial burden on society. In this regard, governments have plans to outsource part or all of their services outside the organization to strengthen the role of society in providing services that are defined as outsourcing.[8] Outsourcing is the transfer of some of the internal activities of an organization to its supplier outside the organization and the transfer of the right to decide outside the organization under the contract.[7] In fact, in outsourcing, in addition to activities, factors of production (workforce, equipment, technology, and other assets) and decision-making authority are also assigned in most cases.[9]

Outsourcing as one of the most important managerial strategies to improve performance has become one of the main areas of research in hospital management studies.[10] According to the International Association for Outsourcing, the global outsourcing industry is currently worth more than $1 trillion and annually accounts for a large share of the market.[11] The benefits of outsourcing improve performance, saving in cost; the focus is on core business and improving the quality of service for organizations. Health organizations also outsource all kinds of services, including support, clinical, and paraclinical services.[12] Tourani *et al*. in a study of the outsourcing results of the pharmacy of Firoozgar Hospital in Tehran showed that outsourcing reduced the cost to zero and 100 million Rials from the rent of the pharmacy has been earned by the hospital per month. After the transfer, the number of personnel increased from 9 to 14 and the number of presented prescription drug at the pharmacy doubled.[8] In another experiment in Iran, Ferdosi *et al*. examined the results of outsourcing medical records at Kashani Hospital in Isfahan. The findings show a 4.5% decrease in the cost of each medical case, a 37.2% decrease in the medical case deficit, a 76.2% improvement in the medical process, a 59% increase in customer satisfaction, and a 70% compliance with legal requirements.[13]

In Tribble *et al*.'s study, the results show that outpatient drug delivery reduces costs, prepares the right dose for the patient, speeds up the patient's service, and assesses the quality of service provided by the hospital.[14] Towers argued that outsourcing hospital services allows the organization to focus on its core purpose and save on department management costs; one of the major challenges in outsourcing is overseeing outpatient wards.[15] Numerous studies have shown that global revenue for pharmaceutical companies that have been outsourced is about $100 billion in 2004, up from 10.8% in 2009 to $168 billion, as well as pharmaceutical factories that use IT outsourcing strategy, and have been able to reduce their expenses about 35%–55%.[16-18]

All the benefits of health-care outsourcing are possible only if the challenges and barriers to outsourcing are properly identified, because determining the health services that need to be outsourced is a major problem for senior hospital managers and the health system of any country.[19] Experience has shown that many organizations mistakenly outsource different projects to control or optimize conditions before carefully examining and identifying the challenges and barriers to outsourcing each service. These decisions often impose high, inefficient costs on organizations and sometimes push them to the brink of reactivation, which imposes a very high cost on the organization.[20]

Especially in the field of health, Iran is at the beginning of the road in the field of outsourcing health services and does not have accurate experience and knowledge of what is happening, so we must first recognize the challenges of outsourcing, then develop an operational plan. Because identifying outsourcing challenges will have a significant impact on its effectiveness. Given the above, it seems that identifying the challenges in implementing outsourcing plans for hospital services to the private sector is one of the main prerequisites for improving and upgrading these plans. Therefore, this study was done to identify the challenges of outsourcing hospital services to the private sector from the perspective of outsourcing experts in Iran.

Methods

The present study was a qualitative study using content analysis method that addressed the challenges of outsourcing hospital services from the perspective of experts. The research community includes managers and experts related to the field of outsourcing in the Ministry of Health, experts in the field of outsourcing in the Vice Chancellor for Development and Resource Management of Iran University of Medical Sciences, Tehran, and Shahid Beheshti, experts in the field of treatment, hospital managers, and contract experts in the hospitals Affiliated to Iran University of Medical Sciences, Tehran, and Shahid Beheshti.

Sampling in this study was purposeful and sample size was based on data. Targeted sampling is a nonprobabilistic method that aims to select experienced and experienced samples that meet the research needs properly. In this method, the researcher or research

team, according to the previous acquaintance with the society to achieve its goal (i.e., deep understanding of the phenomenon), selectively selects people whose information and understanding in the field of study is very large and deep. This method is mainly used when the number of people with the required characteristics or conditions in the field under study is limited. On the other hand, because the subject under study was in a specific area, purposeful sampling method was used for sampling. Sampling and selection of competent individuals continued until data collection was continued, previous data were repeated, and no new data were obtained (data saturation phenomenon).

The inclusion criteria in the study were having executive or decision-making responsibilities and having sufficient knowledge in the field of health services outsourcing, having at least 10 years of work experience as a contract affairs expert or outsourcing group expert, and being an expert in outsourcing services.

The research environment included the Vice Chancellor for Development and Resource Management, the Vice Chancellor for Treatment and the hospitals affiliated to Iran University of Medical Sciences, Tehran, and Shahid Beheshti and the Ministry of Health. A semi-structured interview was used to collect data. Thus, by referring to the research environment and explaining the purpose and nature of the research to the participants, the researcher was assured of the confidentiality of the information. Participants were then asked to record conversations, informed business satisfaction, and interview questions. A total of 21 interviews were conducted. The duration of the interview in this study varied from 40 to 50 min.

Textual data were reported and analyzed by content analysis. Content analysis classifies, categorizes phrases, describes their logical structure, and determines their continuities and implicit meanings. Based on this method, the main and subconcepts of raw data were extracted and coded. The interviews were handwritten immediately after the performance and used to analyze qualitative content. Before coding the concepts, the whole text was read several times to get the researchers fully acquainted with the data. The semantic units and initial codes were then extracted from the raw data. After coding, the initial codes were classified and the same codes were placed in the subcategories. All interviews were categorized in terms of main topics or themes and subthemes.

The validity of the results of the present study was obtained by reviewing the data by the participants and reviewing by the colleagues of the research team. The members of the research team also coded a number of interviews separately, and the similarity of the codes was examined, and in cases where there was a difference, a consensus was finally reached. In order to determine the reliability of the data, the combined method was used in data collection and a foreign observer familiar with qualitative research was used to examine the data. In order to determine the verification of the findings, all the activities performed, including the process of doing the work and how the findings were obtained, were carefully recorded and a report of the research process was presented.

Examples of interview questions are as follows: "What is your general view on outsourcing hospital services?" "What is the current process of outsourcing in hospitals in various areas of service and treatment?" "What are the most important challenges in outsourcing hospital services?" "What is your assessment of the outsourcing process in hospitals?" The rest of the questions and explanations about the research are given in Table 1.

In the present study, ethical principles such as confidentiality of information, obtaining informed consent for interviews, and granting the right to withdraw from research at any stage were observed by researchers.

Results

In the present study, the main theme and subtheme related to the challenges of outsourcing hospital services were interviewed with managers, experts, and experts in the field of outsourcing in the Ministry of Health, hospitals, and Iran University of Medical Sciences, Tehran University of Medical Sciences, and Shahid Beheshti University of Medical Sciences. Based on the research findings, outsourcing challenges were classified into 6 main topics and 40 subtopics. The main challenges of outsourcing in hospitals included "legal and political, financial, human resources, organizational, managerial, and private sector." In order to describe these issues more comprehensively, each one was described separately. These theme and subtheme were obtained by coding the text of the interviews, summarizing and abstracting the interviews, and then analyzing and classifying the sentences [Table 2].

Legal and political
Topics covered by the participants in the legal and political challenges included political implications, changes to the subject of the contract, complex and long-term bureaucracy of the outsourcing process, instability or inconsistency in the letters, and instructions submitted by the Ministry of Health. Due to policy changes, the lack of a comprehensive set of rules for the development of the private sector in hospital services, the lack of participation of process owners in planning

Table 1: Semi-structured interview guide

This is Noureddin Niknam, a Ph.D. student in the Department of Health Services Management at Iran University of Medical Sciences, for data collecting of my Ph.D. dissertation entitled "Providing a Pattern for Outsourcing Hospital Services in Iran" would like to use your experiences, if possible. Before starting the interview, while thanking you for your cooperation, I would like to draw your attention to the following

This interview is done only to collect the data of my dissertation and it is a research interview and it is completely different from the journalistic interviews in terms of purpose and method

If there is no problem in your opinion, the interview session should be recorded for implementation and entry into the software of qualitative data analysis

Your words will definitely be kept secret. You will be given a participant code that I only know who it belongs to, and all the analysis will point to your code

You can continue the interview wherever you want

Depending on the content analysis method and to facilitate data analysis, in some cases maybe I interrupt you or ask you to explain the content in the place of your question, which I apologize in advance

Research questions

1	Please introduce yourself and say how many years of experience do you have in the field of outsourcing?
2	Did you have any experience in outsourcing? What could be the explanation for this?
3	What is your general view on outsourcing hospital services? (Goals, Benefits, Problems, …)
4	What is the current process of outsourcing in hospitals in various areas of service and treatment? (Rules, regulations, quantity, quality, existence of instructions and regulations, executive guarantee, etc.)
5	What problems did you have with your management experience? Where did you get into trouble? What should we do if there are no problems?
6	What are the most important challenges of outsourcing hospital services? (barriers, challenges, risks, problems, bureaucracy, etc)
7	How do you evaluate the outsourcing process in hospitals? (Team, feedback monitoring tools)
8	Do you have any suggestions or criticisms about the implementation of outsourcing in the hospital that can help to know more and better about the issue?

for outsourcing services, the weakness of the control system, and monitoring the activity of the private sector in preventing and correcting deviations.

For example, some of the interviewees' comments are exactly the same:

"People think that the government is abandoning its previous commitment to provide free or low-cost health care." "Many governmental hospitals provide all the services of the National Health Care System in the educational or referral departments, and outsourcing jeopardizes these service," "There is still no consensus on the concept of outsourcing at the macro level, such as the use of terms such as privatization, subcontracting, And so on. The words are related to the subject of outsourcing, but they are significantly different from each other and outsourcing."

Financial

Respondents cited the following as a financial challenge: excessive expectations about cost reductions, imposing costs on patients, problems with health insurance, problems in calculating transfer rates, lack of tariffs for hospital services, and instability. The economic and unpredictability of annual inflation, the uncertainty of the cost of outsourcing services, especially nursing services.

Here are some comments from interviewees:

"There is no such thing as a fixed-price contract. All outsourcing contracts include a set of standard items and a set of assumptions, and if the work to be done is different from what was originally estimated, the patient will pay the difference," "This imposes a heavy cost on the patienr," "Unfortunately, many managers think that in the same month or the 1st year of outsourcing, they should have about 50% reduction in costs, while this is not the case. One of the hidden costs is the cost of training during the 1st and 2nd years of the organization. One of the hidden costs is the cost of the training that the outsourcing organization has to bear during the 1st and 2nd years, so the organization should not expect the maximum cost reduction for the outsourced activity at the beginning. It will reach its peak in the 3rd year or later, if the contract period allows."

Human resources

Based on the views of the interviewees, the challenges of human resources include the following: reducing employees' sense of job security, reducing the salaries of semi-skilled employees, reducing the loyalty and morale of the organization's employees, reducing the number of employees in the organization or not needing to attract new capable staff, lack of willingness or insufficient employee willingness to outsource services, negative employee feeling about Limiting your scope of activity, negative employee feelings about losing part of your financial benefits or career advancement.

Comments from a number of participants in this field:

"Outsourcing may be accompanied by the dismissal of a large number of employees, and this contradicts

Table 2: Challenges of outsourcing hospital services based on theme and sub theme

Theme	Sub theme
Legal and political	Political consequences
	Change in the subject of the contract
	Complicated and long-term outsourcing bureaucracy
	Creating instability or inconsistency in letters sent by the Ministry of Health to affiliated units due to policy changes
	Lack of comprehensive set of rules for private sector development in hospital services
	Lack of participation of process owners in planning for outsourcing services
	Weakness of the private sector control and monitoring system in preventing and correcting deviations
Financial	Excessive expectations about cost reduction
	Impose costs on patients
	Health insurance problems
	Problems in calculating the transfer rate
	No hospital tariffs
	Unstable economic situation and unpredictable annual inflation
	Uncertainty about the cost of outsourcing services, especially nursing services
human resources	Reduce employees' sense of job security
	Reduction of part-time staff salaries
	Reduce the loyalty and morale of the organization's employees
	Reduce the number of employees in the organization or the lack of need to attract new capable staff
	Lack of willingness or insufficient desire of employees to outsource services
	Negative feelings of employees toward limiting their scope of activity
	Negative feelings of employees about losing part of their financial benefits or career advancement
Organizational	change in the working conditions of the organization over time
	Dependence on external providers
	Loss of key organizational capabilities
	Risk of losing the organization's intellectual capital: such as accreditation marks, patents and .
	Lack of clear goals for outsourcing
	Stay away from the main mission of the organization
managerial	Lack of expertise or inadequate experience of managers in the field of outsourcing
	Lack of a systematic approach to the transference
	Managers' negative feelings about limiting their authority or losing some of their authority
	Managers' negative feelings about losing financial benefits
	Managers' concerns about possible out-of-patient protests over outsourced services
	Noncommitment of senior hospital managers to institutionalize outsourcing of hospital services
	Failure to delegate authority to make decisions in nursing management to nurses
	Improper selection of activities for outsourcing
Private sector	A small number of private organizations for outsourcing
	The inability of hospitals to identify and select capable private companies
	The inability of outsourcing services providers to perform tasks
	Benefit from nonprofessional workforce by the private sector
	Lack of oversight of private sector performance

the principle of eradicating unemployment in society," "The contractor's goal is only to earn a high income, so he only pays a certain amount to his employees and does not Reward and overtime them. In these cases, the employees of the company compare themselves with the official employees of the organization and say that I am a company nurse, I do what the official nurse does, but my income is much lower than theirs. This way of thinking is very dangerous and can affect the quality of health services, which cause the most harm to the patient," "Some employees think that outsourcing deprives them of many of the financial and job benefits they already have. This kind of mindset certainly affects the morale and loyalty of employees to the organization, so it's best

to stick to the philosophy of outsourcing." Employees should be given the necessary explanations."

Organizational

Changes in the organization's working conditions over time, dependence on external providers, loss of key organizational capabilities, and risk of losing the organization's intellectual capital: Such as accreditation marks, patents and lack of clear goals for outsourcing, Distance from the organization's main mission were some of the organizational challenges mentioned by of the interviewees in this study.

The following are the views of the interviewees in this regard:

"In our country, this issue is often considered from the point of view of the organization that intends to outsource its activities, while we can also look at the issue from the perspective of the organization that intends to receive outsourced services. To the existing opportunities of outsourced services by regional and even international companies in regional markets, the importance of the issue increases," "A study of the experience of outsourcing health services in the country shows that Despite the positive achievements, including the reduction of the organization's costs, unfortunately, for some reason, in some cases, this has caused problems and issues at the organizational level, and the predetermined goals have not been achieved, Problems include misdiagnosis of the cultural differences between health organizations and other organizations, the lack of the organization's most appropriate internal resources for the outsourcing project, and the lack of a clear, formal monitoring plan."

Managerial

In the field of management, the interviewees raised the following challenges: lack of expertise or inadequate experience of managers in the field of outsourcing, lack of systematic attitude to transference, negative feeling of managers toward limited or loss of authority, negative feeling of managers toward losing financial benefits, managers' concern about creating possible patient objections to outsourced services, lack of commitment from senior hospital managers to institutionalize outsourcing of hospital services, lack of authority to make decisions in nursing management to nurses, and incorrect choice of outsourcing activities.

Some of the participants' views on research related to managerial challenges include:

"Most hospital managers do not have enough experience or even any specialization in outsourcing. They just think that outsourcing reduces costs, and based on this item, they outsource services, and this is one of the serious risks of outsourcing," "Hospital managers have poor knowledge of outsourcing methodologies, and this weakness leads to a lack of a win-win approach to the service provider."

Private sector

The challenges posed by those interviewed in the private sector are as follows: the small number of capable private companies for outsourcing, the inability of hospitals to identify and select capable private companies, the inability of outsourcing services providers to take advantage, the benefit of nonprofessional workforce by the private sector, and the lack of oversight of private sector performance.

The following are the comments of a number of interviewees:

"One of the risks that an outsourcing service vendor has to accept is what happens if the service provider fails to meet its obligations with all due diligence. This may be rare in other service organizations, but the risk is high in hospital services, in such cases, I think the outsourcing organization should either give up, or change its strategy, for example, from one seller to several sellers," "Contractors are using unprofessional manpower in laboratories, and this has led to an increase in the number of misdiagnoses that have led to physical problems as well as financial losses for patients," "The main goal of the private sector is focus solely on raising its own income and there is not any supervision on its behavior, and this extravagance in making a profit on hospital performance as a health service organization is very dangerous."

Discussion

Outsourcing as one of the tools for organizational development and productivity promotion in the form of downsizing in recent years has been considered by hospital managers and officials.[13] The aim of this study was to identify the challenges of outsourcing hospital services in Iran.

The legal and political challenges

According to the results of the present study, one of the important challenges of outsourcing hospital services in Iran, which was raised by experts, was the legal and political challenge. Ravaghi *et al*. in their study stated that the Ministry of Health orders the implementation of the outsourcing process of health services in Iranian government hospitals and there is no possibility for the university and the relevant hospital to analyze the outsourcing process, and this is one of the important challenges. Outsourcing services in the Iranian health system have led to the failure of outsourcing.[21] Joudaki *et al*.'s., one of the reasons for the failure of hospital outsourcing policy in Iran is related to the policy environment and says that this failure is because of reasons that are all more or less due to the weakness of the government administration system. In fact, the ability and efficiency of the government sector when entering the government sector is limited by the potential of government administration,[22] which is challenged by some of the challenges mentioned in the present study on legal and political issues, including political interference in decision-making and creating instability or inconsistency in the letter and instruction section of the Ministry of Health to the affiliated units is consistent with policy changes.

Avery in his study recommends that before performing outsourcing, the potential impact of outsourcing on the law and external factors and vice versa should be evaluated.[23] Gaspareniene and Vasauskaite stated that the government sector approach to outsourcing is very structured and limited by national and international law, but in the private sector, the law is very flexible and less formal.[24] The results of their research are in line with some of the findings of the present study, including the complex and long-term bureaucracy of the outsourcing process, creating instability or inconsistency in the letters and instructions sent by the Ministry of Health to subordinate units due to policy changes, and lack of comprehensive development laws. The private sector is in line with hospital services.

Barrows *et al*. conducted a study on government–private partnership as an outsourcing contract in the field of health in Canada. The results of their study showed that in terms of equality and access indicators, not all patients were treated equally; in other words, the use of outsourcing strategy for all people did not have comprehensive coverage and marginalized people did not have an equal chance to access services. This is a serious political and government challenge, which is consistent with the findings of the present study.[25]

In their study, Alizadeh and Torabipour mentioned issues such as lack of transparency in outsourcing laws, shortcomings in drafting contracts, and legal shortcomings in the selection criteria of private sector contractors as legal challenges of outsourcing. They stated that outsourcing laws, such as the lack of a clear mechanism for monitoring the good performance of contractors and the cumbersome nature of some outsourcing laws, are among the most important barriers to outsourcing,[18] which were consistent with the findings of this study in regard to changes in the subject matter of the contract, the complex and lengthy bureaucracy of the outsourcing process, and the lack of a comprehensive set of rules for private sector development in hospital services. Asadi Piri *et al*. conducted a qualitative study entitled government–private partnership patterns in the hospital and stated that legal frameworks, political support, and capacity building are among the factors influencing the successful implementation of outsourcing projects.[2]

In many countries, especially in developing countries, the current environment is not conducive to project outsourcing projects due to imperfect political and legal frameworks, lack of integration between different sectors, market constraints, and lack of clear policies on the role of the government and private sectors. In this regard, according to the results of a study in Ethiopia, one of the most important factors in the implementation of outsourcing services from the perspective of government and private sector representatives was the existence of clear and transparent laws in the field of outsourcing.[26] The results of other studies in Uganda and the Philippines Health Department showed that a legal framework that adequately supports government and private resources has been identified as an essential prerequisite for outsourcing programs.[27,28]

Financial challenges

Another major challenge in outsourcing hospital services to those interviewed in the present study was the financial challenge. The most important financial challenges include "excessive expectations about reducing costs, imposing costs on patients, problems with health insurance, problems in calculating the rate of transfer, nontariffs for hospital services, economic instability and unpredictable annual inflation, uncertainty of the cost of outsourcing services, especially nursing services, was unclear." In this regard, the findings of Rasi *et al*.'s study included insurance and service tariff problems for the private sector, uncertainty of the cost of services and issues related to outsourced service pricing and lack of financial resources,[29] which were consistent with the present study. Saharkhiz and Anoosheh's findings on the most important barriers to privatization in nursing from the perspective of nurses and managers point to the lack of tariffs for nursing services, the mismatch of nurses "salaries and benefits with work performed, and the large difference between a company's hospital receipt and nurses" pay,[30] which is consistent with some of the financial challenges of the present study, including problems in calculating the transfer rate, the lack of tariffs for hospital services, and the uncertainty of the cost of outsourcing services, especially nursing services. Bakker *et al*.[31] stated the economic situation in nursing services and the lack of financial support in this field, as well as the lack of participation of nurses in planning, decision-making, and budgeting, are important obstacles to the development of nursing services management. In their study, Mousazadeh *et al*. stated that the uncertainty of the price of service packages leads to possible abuses by the private sector and the loss of patients and clients,[9] which is consistent with the results of the present study.

In the financial sector, private sector investors need the right incentives and incentives to participate in health outsourcing projects. These incentives can include loans with good interest rates, low-risk projects, as well as reasonable and reasonable profits. If these incentives are not provided or if there is no incentive to invest in the private sector, the private sector will not be willing to enter into such projects and will choose other areas for investment.

Human resources challenges

Regarding the main challenges of human resources for outsourcing hospital services in the present study, the following topics include reducing the feeling of job security in employees, reducing the salaries of semi-skilled employees, reducing the loyalty and morale of employees, reducing the number of employees or no need to recruit The new workforce, employees' inadequacy or inadequate willingness to outsource services, employees' negative feelings about limiting their scope of work, employees' negative feelings about losing some financial benefits or career advancement, the most important challenges from the perspective of managers and experts The field of outsourcing was considered. The results of Saharkhiz and Anoosheh study in Tehran include nurses "concerns about job security, significant discrimination between corporate personnel and others, reduced job satisfaction of private sector personnel, incompatibility of nurses" salaries and benefits with work performed, and significant differences between hospital admissions. And reported paying nurses as one of the most important barriers to privatization in nursing,[30] which is consistent with the findings of the present s study. According to the results of the study of Mashkoori *et al*.'s Human resources are one of the important challenges of outsourcing in the health system. They stated that the lack of employment licenses, noncompliance with the requirements of the job requirements, ambiguity in the role, insufficient motivation and skills, and defects in teamwork are among the problems in the field of human resources.[32] In their study, Gates *et al*. stated that outsourcing reduced the number of employees. This study is consistent with the findings of the present study on the impact of outsourcing on employee reduction after outsourcing.[33]

Organizational challenges

One of the most important challenges posed by the interviewees in this study was organizational issues and problems caused by outsourcing. In a study conducted by Bagheri *et al*. in Isfahan, it was concluded that organizations should have their own internal capabilities such as the presence or absence of skills required by the organization in the environment and the presence or absence of technical knowledge required by the organization in the environment. Important factors influencing the decision to outsource services should be considered before handing over.[34] In the present study, factors such as loss of key organizational capability, risk of losing the organization's intellectual capital: Such as accreditation mark, patents, lack of clear goals for outsourcing, distance from the main mission of the organization as the main organizational challenges to Outsourcing has been proposed which is in line with the study of Bagheri *et al*.'s. Asoshe *et al*. stated in their study that half of the failures in outsourcing contracts are

due to a lack of attention to the risks of outsourcing.[35] Bryson argues that to assess the success of outsourcing entrepreneurship reduction, the existence of evaluation indicators is essential. According to him, these indicators are optimal results, satisfaction of service recipients, efficiency and quality of health services provided by the private sector, decentralization and bureaucracy after transfer to the private sector, increasing mobility and dynamism of the organization, and improving the power of change. Improving the organization's focus on its core activities and tasks, which is consistent with some of the organizational challenges of the present study, including the loss of key organizational capabilities, lack of clear goals for outsourcing, and distance from the organization's core mission.[36]

Managerial challenges

Managerial issues were one of the most important challenges in outsourcing hospital services by the interviewees. In this regard, Saeidpour *et al*. in their study showed that the factors influencing the correct establishment of outsourcing strategy in hospitals from the managers "point of view, including forming a strategic outsourcing team, drawing tasks in the outsourcing process, mastery of managers" negotiation skills for proper contracting with the private sector, as well the use of the views of queuing managers with a long service history, are effective in implementing successful outsourcing decisions.[37] The findings of a study by Kavousi *et al*. showed that one of the reasons for the failure of outsourcing is the lack of sufficient attention of managers to the characteristics of different hospital units during the decision to transfer these services. In other words, managers often outsource services without justifying the nature of the service, justifying costs, while it is better to outsource hospital services based on scientific principles.[38] In the field of outsourcing in the present study, the important managerial challenges from the point of view of outsourcings' expertise are the lack of or inadequate experience of managers in the field of outsourcing, lack of systematic attitude to transference, lack of commitment of senior hospital managers to institutionalize outsourcing hospital services, lack of delegation the authority to make decisions in nursing management to nurses, and the wrong choice of activities for outsourcing. McIntosh *et al*. conducted a study on improving the therapeutic performance of the Lesotho Hospital Network with the participation of the government and private sectors. They said that the presence of the private sector to control and manage hospital networks in the areas of quality of treatment, expected outputs, capacity building, and optimal use of resources, has been much more successful than in the government sector and concluded that private sector use in developing countries in the hospital field leads to improved performance and results when management

and leadership of government hospital networks are committed to private sector participation and provide the conditions for private sector participation.[39] In the present study, one of the important challenges of outsourcing hospital services is the managerial challenge that the lack of commitment of senior hospital managers to institutionalize outsourcing of hospital services will lead to the failure of outsourcing strategy.

In a study conducted by Batta entitled Factors Affecting Outsourcing in the Public Sector in San Diego, USA, the components of risk assessment and risk sharing between the management of the organization and suppliers, as well the evaluation of suppliers by senior managers, including service quality and their number were mentioned as the most important environmental factors in the decision to hand over services,[40] which is confirmed by the results of the present study. In his study, Jutting outlined the capacity for public–private partnerships in the health sector, including appropriate management structure and management skills. He believes that there should be, first of all, a strong managerial interest and commitment to the participation of the private and government sectors, as well as the acceptance of various partners to implement outsourcing projects at all levels.[41]

The managerial factor has been defined as an approach to strengthening the skills, competencies and capabilities of hospital managers and staff to help improve the structures and processes that can create and execute outsourcing in the hospital system.[42] To this end, the management agent should encourage the participation of all parties involved in the outsourcing strategy and should also design a plan to address issues related to growth and health development policies in the community.

Private sector challenges

The use of private sector participation in government and private projects is associated with different goals, motivations, and reasons. Given that governments are struggling with rising health-care costs, private sector participation in hospital services can be effective in controlling costs and improving service levels. In this regard, the interviewees presented the most important challenges of the private sector in the field of outsourcing of hospital services, including the small number of capable private companies for outsourcing, the inability of hospitals to identify and select capable private companies, the inability of the outsourcing service provider to perform the tasks, the benefit of nonprofessional workforce by the private sector, and the lack of supervision over the performance of the private sector. The results of Salmani *et a*l.'s study, entitled assessing the Experience of Outsourcing Health Services, showed that the way of supervision

and Defined monitoring standards have a direct impact on private sector behavior.[43] Mousazadeh *et al*. conducted a qualitative study entitled, Identification and Prioritization of Outpatient Hospital Units. Their findings showed that there are many units in the hospital that can be used by the private sector. However, the use of outsourcing strategy for hospital services is facing with challenges such as lack of strong private sector, lack of skills in hospital managers regarding contracting with capable private companies, and lack of definition of the rules required to implement outsourcing strategy and oversight the private sector at the level of the Ministry of Health,[9] It is consistent with some of the challenges of the present study, including the small number of private companies to outsource and the inability of hospitals to identify and select capable private companies.

Outsourcing, if properly managed, can lead to improved efficiency, accessibility, and cost reduction. Of course, there may be problems and issues related to outsourcing that can be prevented with proper planning and principles at the beginning of the implementation. One of the potential dangers of private sector participation in the public sector through outsourcing is that the presence of the private sector alongside the public sector in an unorganized and uncoordinated manner increases the cost and additional burden on the public sector.[44] Wind in their study expressed that the best way to manage pharmaceutical services is to outsource services and hand over management to an external pharmaceutical service provider. They also concluded that in order to provide quality pharmaceutical services by the private sector, it is important to monitor the quality and evaluation of outsourced services and to monitor the performance of the private sector,[45] which is consistent with the findings of the present study. According to Moschuris *et al*.'s study, factors such as contract amount (bid price), service quality, financial status, and contractor's reputation in selecting a contractor by health-care units are essential to outsourcing goals such as saving cost, patient satisfaction, budget and staff shortages, and management focus on core activities to be achieved.[46] Given the above, choosing the wrong supplier as one of the reasons for the failure of outsourcing projects can lead to increased costs, loss of important and sensitive information of the organization, failure to achieve the goals of the organization, and many other harmful consequences.[47] Therefore, the use of experienced consultants in the field of outsourcing during the selection of the private sector or at the time of the contract, taking into account all technical issues, can reduce the risks of lack of knowledge in the field of contractor selection and the organization is more confident in outsourcing its services.

Strengths and weaknesses of the study

One of the strengths of this study is the use of qualitative method and interview as a research tool, because identifying the challenges of outsourcing hospital services requires knowing the expert opinions of outsourcing experts to use their feedback and careful analysis of challenges and obstacles can provide appropriate solutions. Another strength of this research is having a new, scientific approach in line with the 5-year economic, social, and cultural development programs in the country, in which outsourcing is an important strategy to downsize the public sector and governments outsource their activities. They can use public resources more efficiently to perform their core tasks optimally. Weaknesses of the study include the absence and benefit of the opinions of experts in the field of outsourcing in the private sector, as well as the opinions of experts in the field of outsourcing in other parts of the country as an example of research.

Study innovation

In previous studies in the field of outsourcing in the field of health in Iran, most studies examined the impact of outsourcing, outsourcing satisfaction measurement, the tendency to outsource, the impact of outsourcing on performance, quality of outsourced services, identification outsourcing units, downsizing of the health system through outsourcing, etc., have been discussed. However, no study was found that identified the challenges of outsourcing health services, especially hospital health services. However, the present study identified the challenges of outsourcing hospital services in Iran. In order to successfully outsource hospital services, before handing over services and activities and at the same time, it is necessary to think about improving the public sector management system and creating the necessary capacities in its management. Increasing the powers of executives, improving contracting skills, improving internal and external communications, etc., are among the capacity building measures to implement outsourcing. Therefore, using the results of the present study can be effective in the success of outpatient hospital health services.

Conclusion

The findings of the present study showed that in order to successfully outsource hospital services, challenges such as legal and political challenges, financial, human resources, organizational, managerial, and private sector are raised. Partnerships between the private and public sectors in the health-care sector, especially in the hospital sector, are expanding day by day, and this partnership forms a set of relationships between public and private sector agents and managers. Participation between the private and public sectors through outsourcing requires continuous development of effective management capacity in order to guide and manage this process properly and efficiently to ensure that health goals and policies are clearly understood and forgotten or negligence is not entrusted. Although there are doubts about the effectiveness and sustainable sustainability of outsourcing benefits in the field of health, it seems that regular monitoring and accreditation of activities and government participation in decision-making can alleviate some of this concern. In any case, the weakness of the relevant laws, the development of a clear and complete contract, especially in the field of purchasing materials and depreciation and maintenance of devices, monitoring the balance between education and research and how to provide services to other organizations through a codified accreditation program are among the most important and it is necessary to pay attention to them. Given the above, it seems that the identified challenges of outsourcing hospital services in this study, as barriers to the proper implementation of outsourcing in the field of health, are sometimes inseparable from such projects that can be done before plan Implementation and during planning with studying and reviewing the background of the plan with a special look at them, prevented further problems. In order to remove the obstacles in the implementation of outsourcing in hospitals, it is necessary to have a careful analysis of these barriers in order to provide appropriate solutions.

Conflicts of interest

There are no conflicts of interest.

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