

An Overview of Health Care Management



Learning Objectives

- By the end of this lecture, you should be able to:
- Definition of Management
- Definition of organisation
- The Need for Managers and Their Perspectives
- Management: Functions, and Competencies
- Difference between management and leadership
- Styles of leadership in healthcare

Management



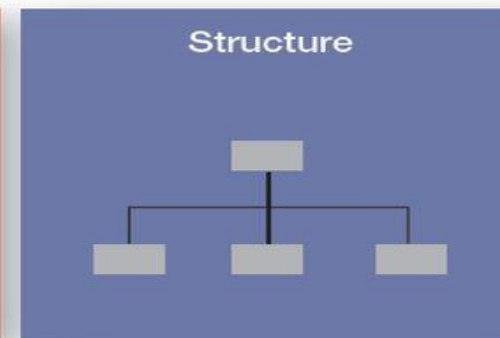
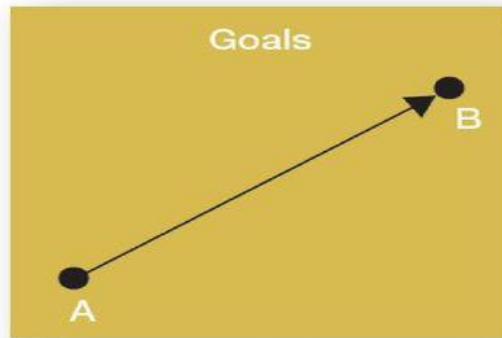
Management

Planning, organising, directing and controlling: the art of getting things done by and through people (WHO, 1993).

- Whenever group efforts are necessary to achieve anything, there is a need for management.
- While it is necessary to ensure that things get done, the manager should never forget that without people, nothing will get done!

→ Health management is the application of management principles for health care.

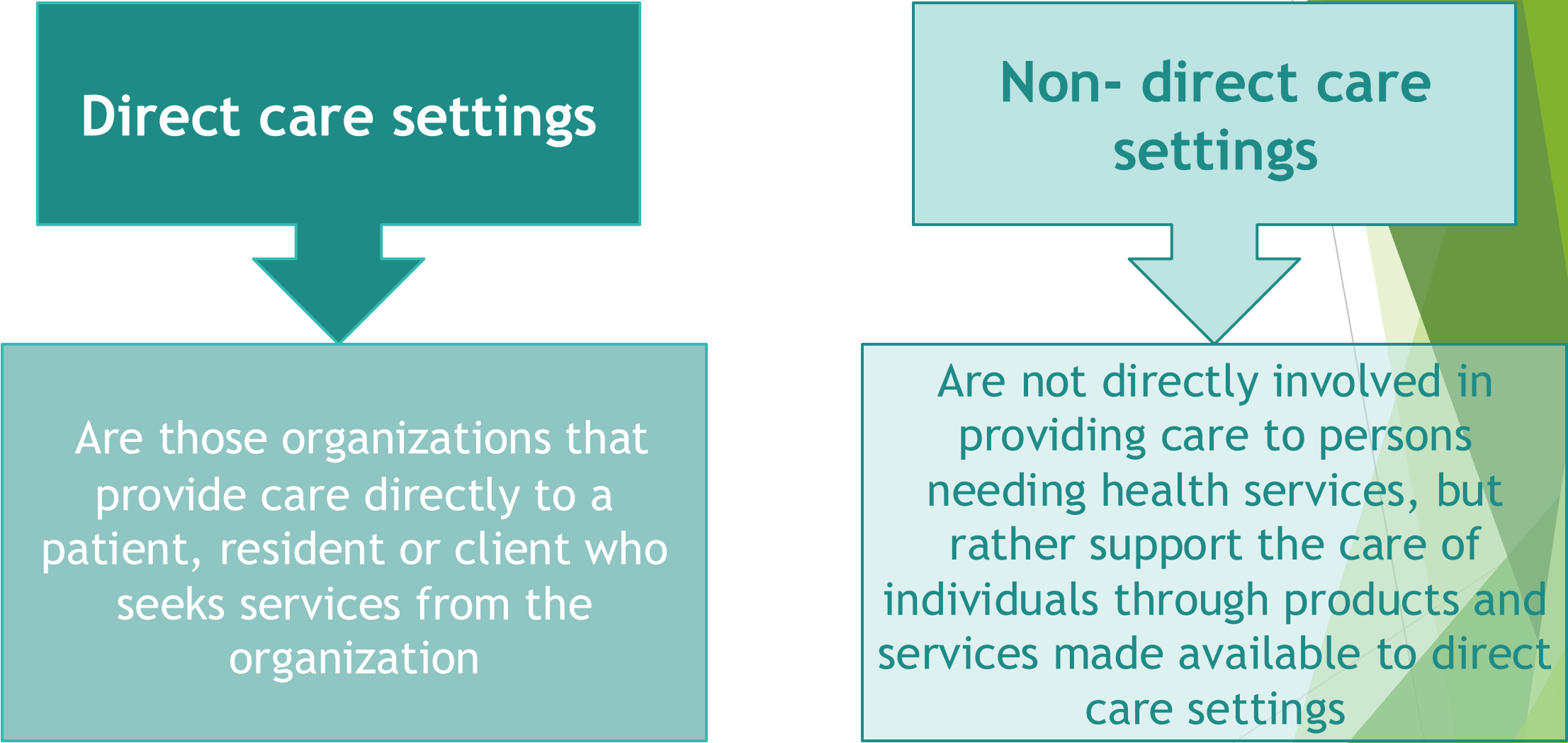
Three Characteristics of Organizations



Healthcare Management

- ▶ Healthcare management is a growing profession with increasing opportunities in both **direct care and non-direct care settings.**

Direct care settings



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graph TD; A[Direct care settings] --> B[Are those organizations that provide care directly to a patient, resident or client who seeks services from the organization]; C[Non- direct care settings] --> D[Are not directly involved in providing care to persons needing health services, but rather support the care of individuals through products and services made available to direct care settings]
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Are those organizations that provide care directly to a patient, resident or client who seeks services from the organization

Non- direct care settings

Are not directly involved in providing care to persons needing health services, but rather support the care of individuals through products and services made available to direct care settings

The Need for Managers and Their Perspectives

- ▶ Health care organizations are complex and dynamic.
- ▶ The nature of organizations requires that managers provide leadership, as well as the supervision and coordination of employees.
- ▶ In health care organizations, the scope and complexity of tasks carried out in provision of services are so great that individual staff operating on their own could not get the job done.
- ▶ The coordination of many highly specialized disciplines that must work together seamlessly is required.
- ▶ Managers are needed to:
 - ▶ Ensure organizational tasks are carried out in the best way possible to achieve organizational goals
 - ▶ and that appropriate resources, including financial and human resources, are adequate to support the organization.

The Need for Managers and Their Perspectives

- ▶ Health care managers are appointed to positions of authority, where they shape the organization by making important decisions.
- ▶ Decisions made by health care managers:
 - Focus on ensuring that the patient receives the most appropriate, timely, and effective services possible.
 - Address achievement of performance targets that are desired by the manager.

The Need for Managers and Their Perspectives

- ▶ Managers must consider two domains as they carry out various tasks and make decisions. These domains are termed external and internal domains
- **The external domain:**
 - Refers to the influences, resources, and activities that exist outside the boundary of the organization but that significantly affect the organization. Such as community needs/demographics.
- **The internal domain:**
 - Refers to those areas of focus that managers need to address on a daily basis, such as ensuring the appropriate number and types of staff, and quality of care.
- ▶ Keeping the dual perspective requires significant balance and effort on the part of management in order to make good decisions.

The six management functions: Function is a broad area of responsibility composed of many activities aimed at achieving a predetermined objective.

1. Planning

2. Organizing

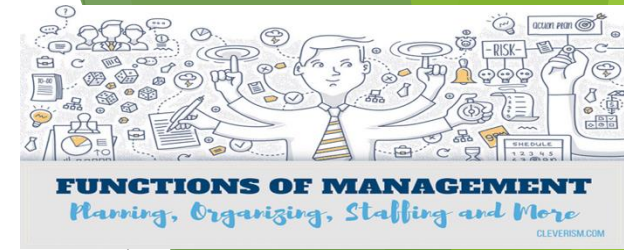
3. Staffing

4.
Controlling

5. Directing

6. Decision
making

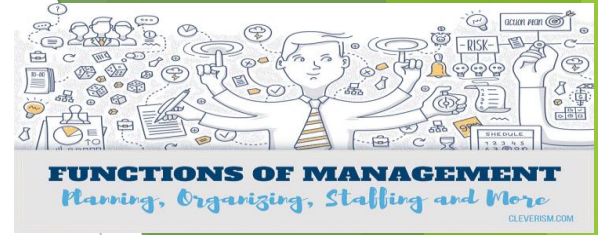
The six management functions



1. Planning: is the process of looking forward. This function requires the manager to set a direction and determine what needs to be accomplished. It means setting priorities and determining performance targets. This function refers to How and Why? For example, developing policies and procedures.

2. Organizing: refers to effective utilization of resources to achieve organisation objectives. This management function refers to the allocation of tasks, teamwork assignments, and delegation of authority to meet the deadline are critical components of this function.

The six management functions



3. Staffing: This function refers to acquiring and retaining human resources. It also refers to developing and maintaining the workforce through various strategies and tactics. Provide the qualification needs and to have adequate staffing maintain smooth workflow.

4. Controlling: This function refers to monitoring staff activities and performance and taking the appropriate actions for corrective action to increase performance. (comparing the actual performance with the standards of the organisation). Controlling involves ensuring that performance does not deviate from standards.

FUNCTIONS OF MANAGEMENT
Planning, Organizing, Staffing and More

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Management: Definition, Functions, and Competencies

- ▶ In order to effectively carry out these functions, the manager needs to possess several key competencies.
- ▶ **Katz (1974)** identified key competencies of the **effective manager**, including conceptual, technical, and interpersonal skills.
- ▶ The term **competency** refers to a state in which an individual has the adequate ability or qualities to perform certain functions

Management: Functions, and Competencies

► Conceptual skills:

- Are those skills that involve the ability to critically analyze and solve complex problems.
- Examples: a manager conducts an analysis of the best way to provide a service or determines a strategy to reduce patient complaints regarding food service.

► Technical skills:

- Are those skills that reflect expertise or ability to perform a specific work task.
- Examples: a manager designs and implements modifications to a computer-based staffing model.

► Interpersonal skills:

- Are those skills that enable a manager to communicate with and work well with other individuals, regardless of whether they are peers, supervisors, or subordinates.
- Examples: a manager counsels an employee whose performance is below expectation or communicates to subordinates the desired performance level for a service for the next fiscal year.

Management Positions: The Control in the Organizational Hierarchy

- ▶ Management positions within health care organizations exist at the lower, middle, and upper levels; the upper level is referred to as senior management.
- ▶ The hierarchy of management means that authority, or power, is delegated downward in the organization, and lower-level managers have less authority than higher-level managers, whose scope of responsibility is much greater.

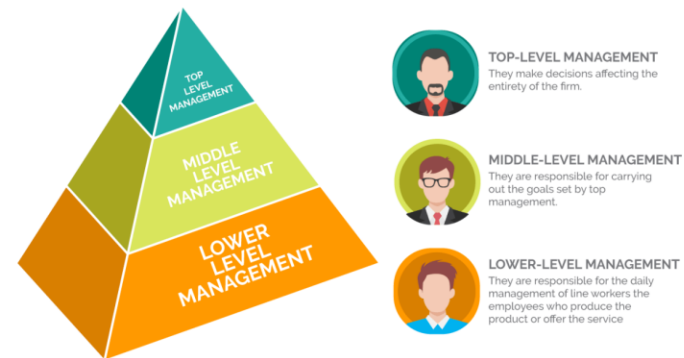
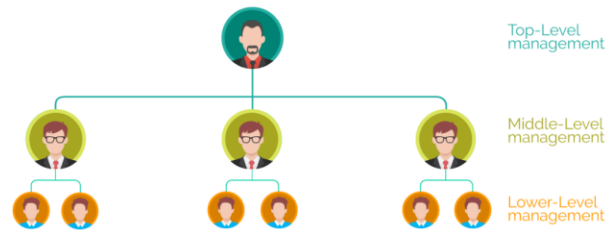
Management Positions: The Control in the Organizational Hierarchy

- **Vertical structure:**

- ▶ The most common organizational structure for health care organizations is a **functional organizational structure**, whose key characteristic is a pyramid-shaped hierarchy that defines the functions carried out and the key management positions assigned to those functions.
- ▶ The traditional structure.

The hierarchy of management

Three levels of management



Management Positions: The Control in the Organizational Hierarchy

- ▶ Other administrative structures have been adopted by health care organizations, usually in combination with a functional structure. These include:

1. Matrix or team-based models. This type of structure is often useful when skills need to be shared across departments to complete a task and can allow companies to utilize a wide range of talents and strengths.

2. Service line management models. Service-line management is a system in which a hospital is divided into specialist clinical areas that are then managed, by clinicians, as distinct operational units. Service-line management enables clinicians and managers to plan service activities, set objectives and targets, monitor operational activity and manage performance

Leadership versus Management

- Though sometimes used interchangeably, these are two different concepts.
- In any business setting, there must be leaders as well as managers. But are these the same people? Ans: Not necessarily
- There are leaders who are good managers and there are managers who are good leaders, but usually neither case is the norm.
- ❖ Leadership is being able to see the present for what it really is, see the future for what it could be and then take action to close the gap between today's reality and the preferred future of tomorrow (Cummings, 2012).

Leadership versus Management

- In today's dynamic workplace, organizations need leaders to cope with new challenges, and transform organizations in order to achieve a competitive advantage in the marketplace.
- In addition, organizations need managers to maintain a smoothly functioning workplace, and to utilize resources effectively.
- Finally, a well balanced organization should have a mix of leaders and managers to succeed.

Styles of Leadership in Healthcare

1. Coercive.
2. Participative.
3. Pacesetting.
4. Coaching.

(Buchbinder, Shanks, & Kite, 2019)

Coercive leadership (Autocratic)

- Coercive leadership style power is used inappropriately to get a desired response from a follower.
- This very directive format should probably not be used unless the leader is dealing with a very problematic subordinate or is in an emergency situation and needs immediate action.
- In healthcare settings over longer periods of time, three other leadership styles could be used more effectively: participative, pacesetting, and coaching.
- May contribute to rapid turnover.

Participative leadership (Democratic)

- Many healthcare workers are highly trained, specialized individuals who know much more about their area of expertise than their supervisor.
- Healthcare workers will respond better and be more productive if the leader is participative in his or her style.
- Asking for their input and giving them a voice in making decisions will let them know they are respected and valued.

Pacesetting leadership

- In a pacesetting style, a leader sets high performance standards for his or her followers.
- This is very effective when the employees are self-motivated and highly competent.

Coaching style

- A coaching style is recommended for the very top personnel in an organization.
- With this style, the leader focuses on the personal development of his or her followers rather than the work tasks.
- This should be reserved for followers the leader can trust and those who have proven their competence

Styles of Leadership in Healthcare

- Most good leaders use a mix of styles.
- For example, a leader may take an autocratic approach to implementing some changes, such as requiring compliance with handwashing protocols, while taking a democratic or participatory approach to other decisions, such as developing methods to decrease surgical site infections.

Thank You!