What is Management?

- " The work of management is to plan, direct, and control the organization and to weave together its various parts so that all factors will function properly and all persons cooperate-that is , work together efficiently for a common purpose". (W. B. Cornell, 1947)

- *Multiple other definitions*

KNOWLEDGE AREAS

- Knowledge of management functions
  - Knowledge of organization systems theory and structuring
  - Knowledge of implementation planning
  - Knowledge of contingency planning

- Knowledge of team building techniques

- Knowledge of mediation, negotiation and dispute resolving techniques

- Knowledge of potential impacts and consequences of decision making in situations both internal and external
  - Ability to analyze and evaluate information to support a decision or recommendation
  - Ability to distinguish relevant from irrelevant information
  - Ability to integrate information from various sources to make decisions or recommendations

- Knowledge of leadership theory and situational applications

- Knowledge of an organization's culture impacts it effectiveness

Management functions (MF)

This area covers general management principles (planning, organizing, directing and controlling) to address overall organizational objectives.

- Planning
- Organizing
- ~~Controlling~~ —— **Accountability**
- Directing/Influencing
- Staffing

MF: Planning

- Types
  - Strategic

  - Operational
    - Implementation

  - Contingency

MF: Strategic Planning

- Strategic Planning
  - Goals, Objectives, Targets
  - Policies & Protocols
    - How to operationalize Mission, Vision & Values?
    - How to comply with Bylaws & regulations?
- Key Considerations:
  - 3-7 year plans
  - Led by Governing body, facilitated by Management Team, supported by Staff & consultants (if required)
  - Specific activities (Refer to *Business*)

MF: Operational Planning

- Operational Planning
  - How to operationalize the strategic plan?
  - Prioritization & Monitoring progress

- Key Considerations:
  - 1 year plan (may be in conjunction with budget)
  - Approved by Governing body, prepared by Management Team after discussion with various stakeholders
  - Specific activities

MF: Implementation Planning

- A more detailed version of operational planning-
  - project level vs organization level
- Key Considerations:
  - Focus on creating and measuring accountability and track progress towards to goal(s)
  - Planning for change (*Change Management*)
    - Role of *Fair Process*

MF: Planning – General Principles

- Top Down Vs Bottoms Up

- Stakeholder involvement

- Who is stakeholder?
  - Any individual (or group) who **can impact** or **can be impacted** by contemplated activity
  - Management (Various levels)
  - Frontline staff
  - Patients
  - Community Members
  - Physicians & external providers
  - Payers

- Each level of plan should defines **expectations**, and clear metrics to **measures progress towards the goals**

- Plan should be "practical" and "realistic" based on considerations such as market demand (Role of Community Health Needs Assessment?) , resource requirements (human, capital, etc.), Mission and vision of the hospital and long term strategic position.

- Plans can be used as organizational control devices
  - Keep everyone on track and aligned with the goals!

Change Management

Change is hard !!

- "Fair Process" & Application in Change Management
  - Outcomes Matter- but "Process" matters more
  - Fair Process: Managing in the Knowledge Economy by W. Chan Kim and Renee Mauborgne HBR 2003

Engagement   Expectation Clarity

Explanation

Application to Change Management

- Stakeholders like to be "involved"
- If stakeholders "own" the change, it will "stick"

Fair Process   Change

Learning

MF: Contingency Planning

- Contingency Planning
    - Anticipating the unknown/unforeseen needs
    - Planning for emergencies
    - Mitigating potential & actual negative impact
    - Plan for internal and external adverse events
    - ***Planning for the "bad stuff"***

- Key Considerations:
    - Disaster planning (aka Emergency preparedness)
        - Type of disaster: Natural (Hurricane), Accidents, Fire, Terrorism, Active shooter, etc.
        - Types of plans: Facilities, IT, ER/Trauma, etc.
    - Hospitals should have well designed plans
    - Such plans should be easily accessible, understandable and practical!
        - Does your staff know "where" to find these plans?
    - Plans should be "up-to-date": update procedures? Post disaster updates?
    - **What "if" Vs What "is"?**

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MF: Organization systems theory and structuring

- What is an organization?
  - Organizations as collectives of individuals
    - Acceptance of "common ideology"
    - Benefits Vs loss of "freedom"
    - Motivated by "common goal(s) / Purpose
  - Organization as an "independent self-sustaining entity"
- Healthcare provider organization is tasked with providing healthcare services and organizational structure is one of the tools to deliver effective care efficiently

MF Organizing: Purpose & Structure

- Purpose of a structure
  - Mission, Vision, Values (Role of *Governance*)
  - Goal setting, Business planning (*Business section*)

- All organizations have a structure

- Purpose:
  - Transmitting messages
  - Mechanism for alignment of power

MF Organizing: A few "terms"

- **Organizational structure:** is the formal arrangement of jobs in the organization

- **Organizational design:** is the process involving decisions about things such as work, jobs, departments, chain of command, span of control, centralized vs. decentralized

- **Authority:** is the right to direct others and give orders; the primary means to do work

- What is **Chain of Command**?
  - Vertical authority relationships from superior to subordinate is *scalar chain* or chain of command
  - Authority is delegated from the top down starting usually at the Board to the President or CEO
  - An organizational chart clearly shows lines of authority and helps subordinates understand lines of authority
  - Unity of command assures each subordinate reports to only one superior, the one from whom they receive authority

- **Delegation**
  - Assignment of duties and results from a manager to immediate subordinates
  - Granting of authority to make decisions, use resources to perform the duties
  - An obligation or responsibility by the subordinate to the superior to perform the duties satisfactorily (accountability)

MF Organizing: Types

- Formal structure and organization
  - Functional/Traditional/Departmental structure
  - Divisional
  - Matrix
  - Flat

- Informal organization

- "Organization" within an organization

MF Organizing: Formal Organizations

- Authority & delegation
  - How many direct reports?
- Unity of command: one boss Vs matrix management
- Division of work for efficiency & job design
  - Resource planning
- Departments Vs Service lines

<u>Special Healthcare Considerations:</u>

Authority of physicians, mid-level providers and other "licensed" providers and how that impacts the service delivery protocols

MF Organizing: Formal Organizations

Factors to Consider
- Decision making
- Specialization Vs Flexibility
- Formality
- Role and responsibilities
- Economies of scale
- Inefficiency and conflict
- Communication and coordination

Size & Complexity
- Solo physician practice
- A single-specialty physician group practice
- A multi-specialty physician group practice
- In-system hospitals
- Stand-alone hospitals
- Hospital systems
- Academic medical centers

MF Organizing: Functional & Matrix

Functional Structure

- Can be "natural/intuitive" with regards to certain "centralized functions"
  - IT
  - Housekeeping
  - Accounting
- Can co-exist with traditional model
- Can lead to economies of scale
- Can cause "conflict" due to resource allocation disagreement
  - E.g.: Prioritizing IT projects

Matrix Structure

- Combined structure
- Horizontal axis
- Vertical axis
- Employee responsibility
- Dual authority
- Common components

- E.g.: Academic health centers – Teaching Vs Clinical

MF Organizing: Informal Organization

- In absence of clear, effective and efficient formal organization structure, an "informal" structure may emerge and *take over* the organization
  - Can range from isolated incidences of "work around EHR forms" to parallel power structures can exist
  - Good governance and fair management is key to avoid such issues

MF Organizing

Levels of Organization (*organizations within organizations*)

• Health Systems

  • Health service organizations (hospitals, ASCs….)

    • Clusters of workgroups (clinical groups/service lines)

      • Workgroups (departments, teams, positions)

Level of independent decisions Vs control of resources

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MF ~~Controlling~~ Accountability

Principles

- Accountability & Responsibility
  - **What? :** Measurement of performance against predetermined standard
    - How good is the standard? – Specific? Reproducible? Realistic? Aligned with objective?
  - **How? :** What are the policies & procedures?   Fairness?
  - **When? :** How often are measurements taken?
  - **Who?:** Who is responsible? P&L responsibility? Project/Task responsibility? "joint task"?
  - **Why? :** <u>At every stage of the process</u>

- Any system of accountability can be successful only if there is clarity around the above considerations

- ***Definition of Fair Process/Procedural Justice***
  - ***Engagement, Explanation & Expectation Clarity***

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Policies & Procedures (cont'd)

Good Policies & Procedures

- Consistent with larger organizational objectives
- Impact is well thought out before they are formalized
- Flexible and can be applied in typical as well as unique situations
- Ethical and legal, and reflect the values of the organization
- Clear and understood
- Consistent with each other

MF: Directing & Influencing

- Contracts

- Leadership (formal/informal)

- Authority & delegation

- Organizational Structure & Human Resources Policies

- Other??

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MF: Staffing

- **Healthcare is a service industry**
  - Biggest assets are the "people"
  - More detailed Staffing related topics in HR
- **Role of Management**
  - Clearly defining & estimating:
    - Skills/Knowledge/Abilities - Needed Vs Available (to achieve goals)
    - Number of human resources required (think "long-term" as far as possible)
  - Establish the right culture & guidelines for cultural fit
  - Fairness in development & enforcement of policies
  - Establish clear and effective communication channels
  - Active and adequate management of conflicts
    - Don't let "stuff" fester
  - Promote "culture of learning" & development of next generation leaders
- **Few other ideas**
  - Think of staff as an "asset", not "expense"
  - Think of "Compassion"
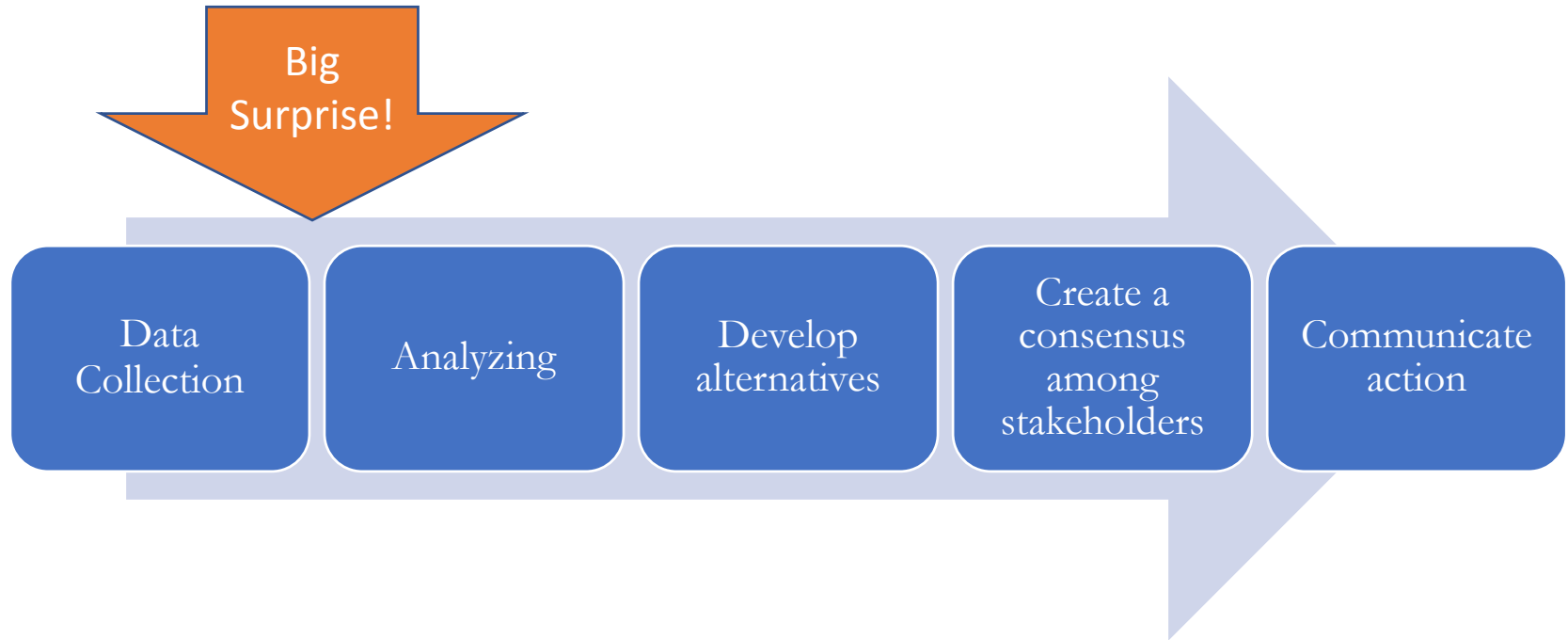
Other Leadership & Management Topics

Team building techniques

- Definition of a Team
    - a group of players forming one side in a competitive game or sport.(Google)
    - A **team** is a group of people with a **common goal**.
    - Temporary Vs Permanent
    - Project specific Vs organization-wide
        - E.g.: EHR implementation Team Vs Patient safety team

- Why have teams?
    - Places authority in those individuals who are closest to the issue and have ability to affect change

- Successful teams have:
    - Goals and directives are clearly outlined by leadership
        - Resource allocation & commitments clearly defined
    - Team members must connect their role in and out of the team to organizational goals/success
    - Good communication
    - Productive disagreement & Agreement to support decisions
    - Strong "external" relationships
    - Frequent self-assessment
    - Follow up and accountability

Decision Making & Problem Solving

- *Ability to distinguish relevant from irrelevant information*

- What is the problem?

- What create the problem (Why does this problem exist)?
  - Root cause analysis

- Who is affected?

- How big is the impact?
  - Patient safety considerations?

- What are the unknowns/uncertainties?

Decision Making & Problem Solving

Big Surprise!

| Data Collection | Analyzing | Develop alternatives | Create a consensus among stakeholders | Communicate action |

Avoid unethical decisions

Motives are varied

Must be reported; self reporting; cultural issue

Fear, pressure, arrogance … **the leader sets the tone.**

Negotiation

- Contract negotiation (most common- *Business section*)
  - Remember BATNA "Best Alternative To a Negotiated Agreement"

- Conflict resolution
  - Look for win-win avoiding win-lose
  - Art of negotiating

- Sources of Conflict
  - It's about "resource" (in broadest sense of the term) allocation

- Alternative Dispute Resolution(ADR)
  - Binding arbitration
  - Non-binding arbitration
  - Mediation

- Legal action?

Knowledge of leadership theory and application

- Leadership is the process by which one person influences others to do something voluntarily rather than out of fear or as a result of coercion. (Dunn)
- **Leadership vs Management**
  - Managers get others to do, but leaders get others to WANT to do
  - Management is doing; leadership set the environment for managers to execute
  - <u>Leadership is most clearly measured by the effectiveness of those who follow</u>
  - Effective leaders adapt to needed roles
    - Task Oriented Vs "personalized" Vs both

Few ideas to enhance leadership abilities

- **Self awareness**
  - Many tools –
  - E.g.: Six domains of Leadership (https://deltaleadership.com/six-domains-model/)
  - Role of "authenticity" (six domains model)

- Knowing competencies needed by the organization
  - (compared to your own versus those of others)

- Knowing, adopting and promoting the **Mission, Vision and Values**

Organizational Culture

Role of Management in promoting high performance culture

- Promote shared values

- Empower associates

- Listen responsively to associates

- Support Service excellence

- Celebrate and reward success

7 approaches to promote culture

- Promoting Key messages

- Listening and responding

- Modeling desired behaviors

- Providing training in job processes

- Training leaders and management

- Negotiating

- Rewarding

Source: The Well Managed Healthcare Organization

Other Management Resources

Need more in-depth resources?

The Well-Managed Healthcare Organization, 9th Ed, by John R. Griffith FACHE and Kenneth R. White, Ph.D., FACHE

Haimann's Healthcare Management, 7th ed by Rose T. Dunn, FACHE

Healthcare Strategic Planning: Approaches for the 21st Century by Alan M. Zuckerman, FACHE, FAAHC

Health Service Management: Readings and Commentary, 7th Ed., by Anthony R. Kovner, Ph.D. and Duncan Neuhaser, Ph.D.

The Leader's Change Handbook, by Jay A. Conger, Gretchen M. Spreitzer, and Edward E. Lawler III

Leadership for the Future: Core Competencies in Healthcare, by Austin Ross, LFACHE; Frederic J. Wenzel and Joseph W. Mitlyng

Managing Health Services Organizations and Systems by Beaufort B. Longest, Jr, Jonathon S. Rakich, and Kurt J. Darr, J.D, Sc.D, FACHE

Mastering the Negotiation Process: A Practical Guide for the Healthcare Executive, by Christopher L. Laubach