

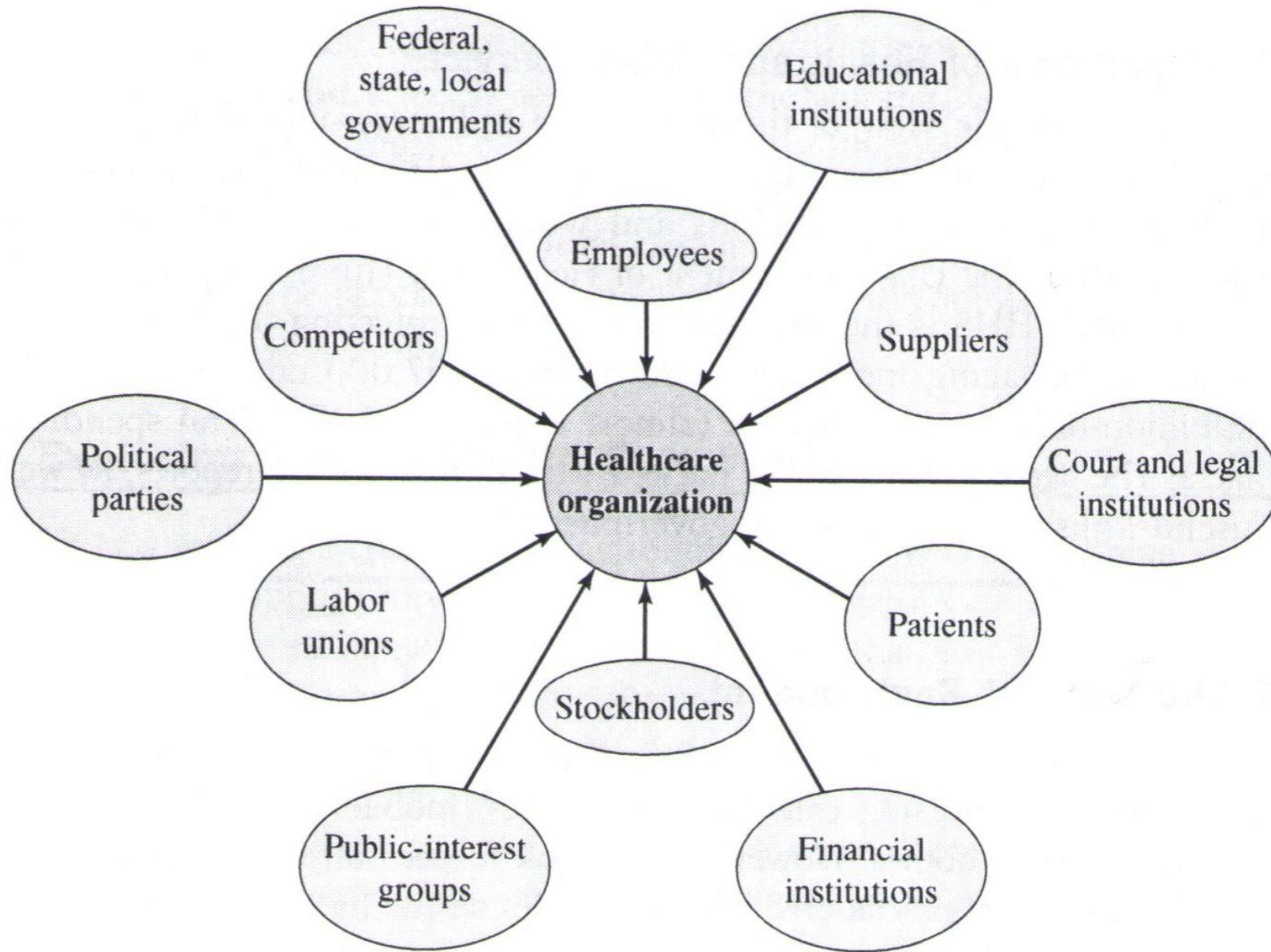
Health Management

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Why Study Management?

- ▶ Healthcare organizations are very complex and dynamic
- ▶ **Healthcare management** is the profession that provides leadership and direction to organizations that deliver personal health services, and to divisions, departments, units or services within those organizations.
- ▶ Organizations were created to achieve goals that were beyond the capacity of any single individual.
- ▶ The scope and complexity of tasks in healthcare organizations require that managers coordinate highly specialized disciplines that must work together seamlessly.
- ▶ Healthcare managers take decisions to make sure that patients receive the most appropriate, timely, and effective services possible. And at the same time to achieve performance targets.



The many stakeholders in today's health care organizations.

The Specific Health Care Environment

What Is Management?

Management is what managers do.

Management is getting work done through people.

Management is the attainment of **organizational goals** in an **effective** and **efficient** manner through: **planning, organizing, leading, and controlling** organizational resources.



What Is Management?

- ▶ **Managerial Concerns:**
 - ▶ **Efficiency**
 - ▶ “Doing things right”
 - ▶ Getting the most output for the least inputs (people, money, ...)
 - ▶ **Effectiveness**
 - ▶ “Doing the right things”
 - ▶ Attaining organizational goals

Effectiveness and Efficiency in Management

Efficiency (Means)

Resource
Usage

Low Waste



Effectiveness (Ends)

Goal
Attainment

High Attainment



Management Strives for:
Low Resource Waste (high efficiency)
High Goal Attainment (high effectiveness)

What Is An Organization?

An Organization Defined:

- ▶ A deliberate arrangement of people to accomplish some specific purpose, that individuals independently could not accomplish alone.
- ▶ Common Characteristics of Organizations
 - ▶ Have a distinct purpose (goal)
 - ▶ Composed of people
 - ▶ Have a deliberate structure

What Is An Organization?

- ▶ In health care, organizations can take a variety of forms:
 - ▶ Small non-profit clinics
 - ▶ Large private hospitals
 - ▶ Private physicians' offices
 - ▶ Networks of health care specialists
 - ▶ Community health center

The Purpose of An Organization?

- ▶ The PURPOSE of an organization is to produce goods and/ or services that satisfy the needs of the customers.
- ▶ All organizations exist because they contribute something useful to the society.

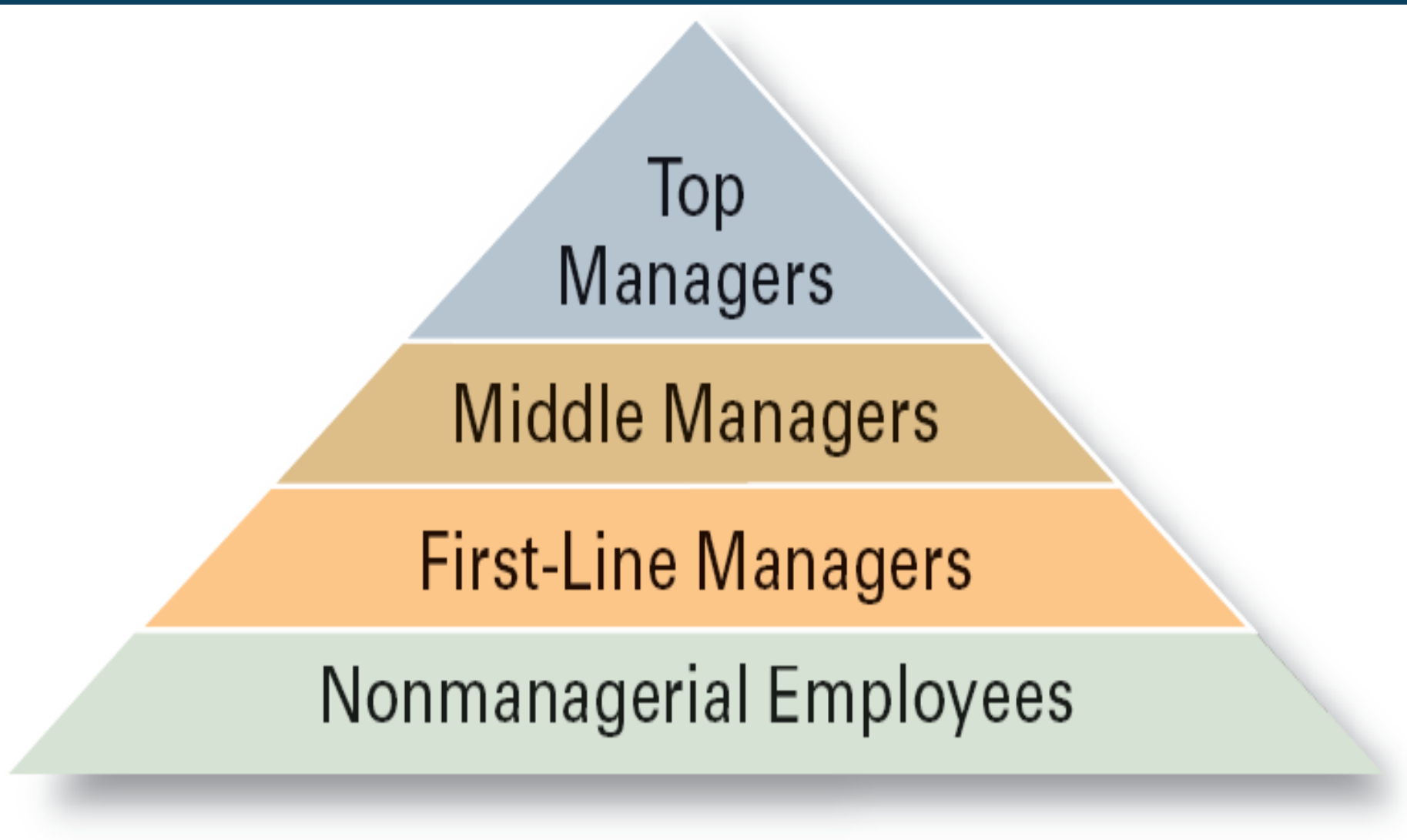
Who Are Managers?

A manager is:

- ▶ Someone who coordinates and oversees the work of other people so that organizational goals can be accomplished.



Managerial Levels



Levels of Managers

1) First-line Managers

- Individuals who manage the work of non-managerial employees (e.g. team leaders, supervisors of units).

2) Middle Managers

- Individuals who manage the work of first-line managers. They are in charge of large departments or divisions consisting of several smaller work units (e.g. Head of department in hospitals and regional managers).

3) Top Managers

- Individuals who are responsible for making organization-wide decisions and establishing plans and goals that affect the entire organization. Job titles at this level are: *chief executive officer (CEO), chief operating officer, president, and vice president.*

What Do Managers Do?



Managerial Skills

1) Technical skills

The ability to use Knowledge and proficiency or expertise in a specific field

2) Human skills

The ability to work well with other people (with trust and enthusiasm), and empathize with the emotions and feelings of others (emotional intelligence).

3) Conceptual skills

The ability to think analytically about complex situations concerning the organization, to solve problems.



► Examples of Conceptual skills:

- a manager conducts an analysis of the best way to provide a service
- a manager determines a strategy to reduce patient complaints regarding food service

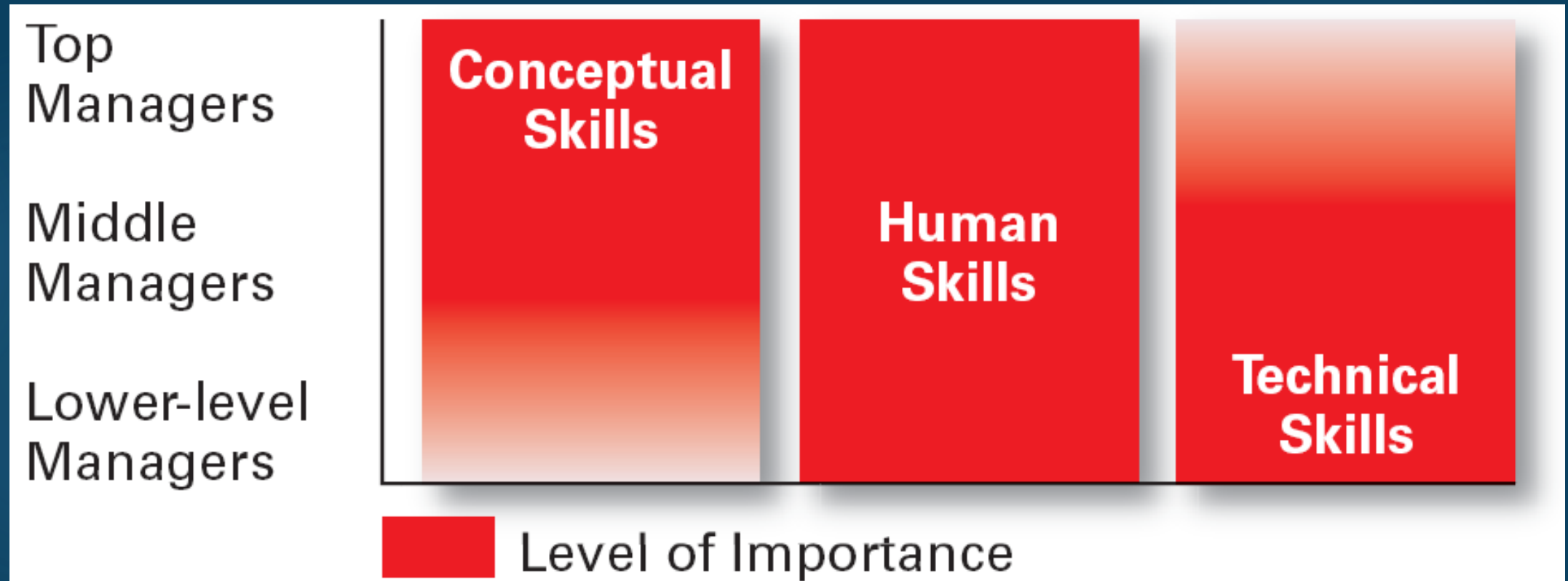
► Examples of Technical skills:

- a manager develops and implements a new incentive compensation program for staff
- a manager designs and implements modifications to a computer-based medical records

► Examples of Human skills:

- a manager counsels an employee whose performance is below expectation
- a manager communicates to subordinates the desired performance level for a service for the next fiscal year

Skills Needed at Different Management Levels

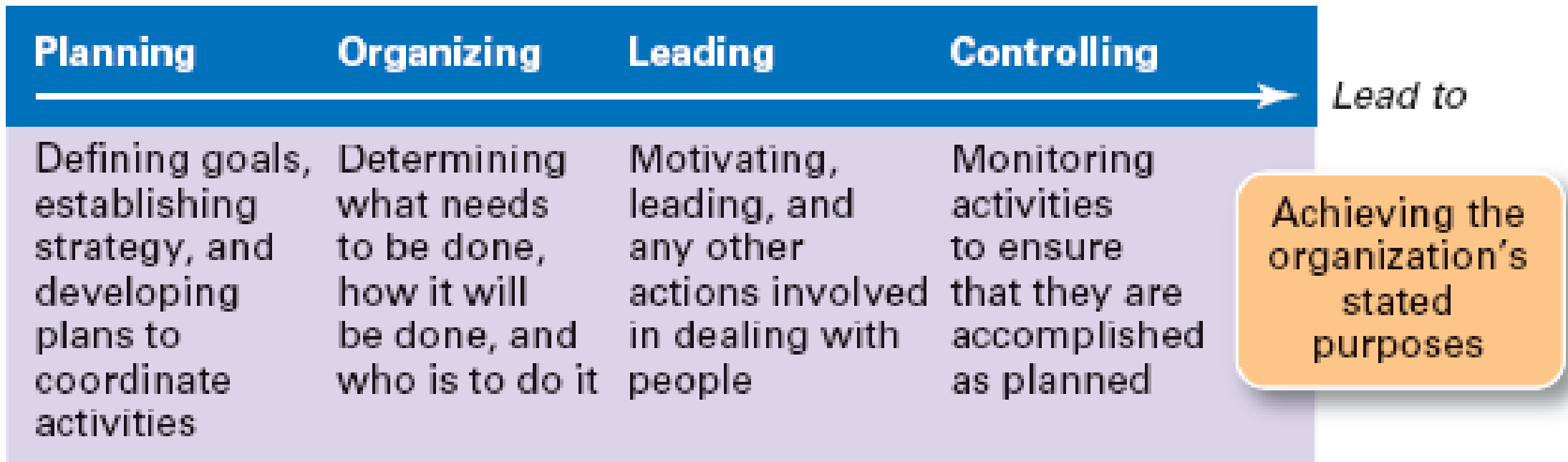


Functions of Management

Four **functions** of Management:

- 1) Planning
- 2) Organizing
- 3) Leading
- 4) Controlling

Management Functions



Planning

Planning is Defining goals and performance objectives, and determine what actions should be taken to accomplish these goals (strategies).

Planning involves two important aspects:

Setting goals and Developing Plans

1. Setting **Goals (general)** and **Objectives (specific)**:

- ▶ Desired outcomes for all levels in the organization: individuals, groups, or entire organizations
- ▶ Provide direction and evaluation performance criteria

Planning

Examples for business **goals** and **objectives** may include:

1. A certain level of profit
2. Gaining or holding a specific share of the market
3. Recruiting a high-quality workforce
4. Making a positive contribution to the society



Characteristics of Well-Designed Goals

- ▶ **Written in terms of outcomes, not actions**
 - ▶ Focuses on the ends, not the means.
- ▶ **Measurable and quantifiable**
 - ▶ Specifically defines how the outcome is to be measured and how much is expected.
- ▶ **Clear as to time frame**
 - ▶ How long before measuring accomplishment.
- ▶ **Challenging but attainable**
 - ▶ Low goals do not motivate.
 - ▶ High goals motivate if they can be achieved.
- ▶ **Written down**
 - ▶ Focuses, defines, and makes goal visible.
- ▶ **Communicated to all**
 - ▶ Puts everybody “on the same page.”

Planning

Planning involves two important aspects:

2. Developing Plans

- ▶ Documents that outline how goals are to be accomplished
- ▶ Describe how resources are to be allocated and establish activity schedules

Types of PLANS:

- ▶ Short-term (1 year) or long-term (> 3 years)
- ▶ Strategic plans or Operational plans (marketing, financial, product)
- ▶ Policies (sexual harassment policy) and Procedures (manuals)
- ▶ Schedules and Budgets

Strategic Management

- ▶ Strategic management provides overall direction to the organization and involves specifying the organization's objectives, developing policies and plans designed to achieve these objectives, and then allocating resources to implement the plans.
- ▶ **SWOT** analysis is the major tool used, and is done by identifying: STRENGTHS, WEAKNESSES, OPPORTUNITIES, and THREATS



Strategic Management Process

- ▶ Step 1: Identifying the organization's current vision, mission, objectives, and strategies.
- ▶ Step 2: Conducting an external analysis
 - ▶ The environmental scanning of the environment, Focuses on identifying opportunities and threats

Strategic Management Process (cont'd)

- ▶ Step 3: Conducting an internal analysis
 - ▶ Assessing organizational resources, capabilities, activities, and culture:
 - ▶ **Strengths** (what are we good at)
 - ▶ **Weaknesses** (things done poorly or not at all)

Steps 2 and 3 combined are called a SWOT analysis.
(Strengths, Weaknesses, Opportunities, and Threats)

Strategic Management Process (cont'd)

- ▶ Step 4: Formulating strategies (based on SWOT)
 - ▶ Match organizational strengths to environmental opportunities
 - ▶ Correct weaknesses and guard against threats
- ▶ Step 5: Implementing strategies.
- ▶ Step 6: Evaluating Results
 - ▶ How effective have strategies been?
 - ▶ What adjustments, if any, are necessary?

FOR EXAMPLE

Ongoing Communication at Saint Luke's Hospital

Introduced over the course of several years, the "Listening and Learning" process at Saint Luke's Hospital of Kansas City (www.saintlukeshealthsystem.org) is now core to the hospital's identity and success. Under the umbrella of its commitment to "Listening and Learning," Saint Luke's established the ongoing customer satisfaction research program to help the hospital gather patient-customer feedback, assess market demands, and measure customer satisfaction. By continually executing surveys, focus groups, and follow-up calls with patients, Saint Luke's better understands how its patients want to be treated and has gone on to set up a series of 12 customer contact requirements, which include expectations such as "Address patients/guests by last name unless otherwise told" and "Address all complaints within 24 hours or less." To further incorporate the principles into Saint Luke's everyday activities, employees now carry these requirements on a Very Important Principles Card, and permanent artwork with this theme is placed throughout the hospital.

Homework!

Look for two mission statements related to one healthcare organization, and one other organization, institution or business.