Community Medicine

Summary

Slide # 13

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Introduction to Management and Organizations

Terms;

Management: is the attainment of organizational goals in an <u>effective</u> and <u>efficient</u> manner through: planning, organizing, leading, and controlling organizational resources. (Getting things done through people.)

Efficiency (Doing things right): Getting the most output for the least inputs (people, money, etc.)

Effectiveness (Doing the right things): Attaining organizational goals.

Organization: A deliberate arrangement of people to accomplish a specific purpose that individuals independently could not accomplish alone.

Characteristics of Organizations:

1. Distinct purpose (goal)

2. Composed of people

3. Deliberate structure

In health care, organizations take a variety of forms:

- Small non-profit clinics

- Large for-profit hospitals

- Private physicians' offices

- Networks of health care specialists

- Community health centers

The PURPOSE of an organization is to produce goods and/or services that satisfy the needs of the customers.

*Although many organizations focus on producing services as (immunizing infants, testing for diseases, treating illnesses, providing long-term nursing care, etc.), all organizations exist because they contribute something useful to the society.

Historical Background of Management

1) **Ancient Management**

   - Egypt (pyramids), China (Great Wall)

   - Venetians (floating warship assembly lines)

2) **Adam Smith**

   - Published *"The Wealth of Nations"* in 1776

   - Advocated the division of labor (job specialization) to increase the productivity of workers

3) **Industrial Revolution**

   - The factory system appeared in the 1800's

   - Substituted machine power for human labor

   - Created large organizations in need of management

Scientific Management

1) **Fredrick Winslow Taylor** (Father of scientific management (1911))

The theory of scientific management: "Labor productivity could be improved by scientifically determined management practices" using scientific methods to define the "one best way" for a job to be done by:

1. Putting the right person on the job with the correct tools and equipment

2. Having a standardized method of doing the job

3. Providing an economic incentive to the worker

2) **Frank and Lillian Gilbreth (1868-1924)**

Focused on efficiency, by increasing worker productivity through the reduction of wasted motion (time and motion studies).

He started his work on bricklayers. Later, his work had great impact on medical surgery, by reducing the time patients spend on the operating table. Surgeons were able to save countless lives through the application of time and motion study.

Lillian (first lady of management) continued the work after her husband died. She was more interested in the human aspect of work (industrial psychology).

*Because scientific management ignored the social context and workers' needs; workers felt exploited, and it led to conflicts and violent clashes between managers and employees.

3) **Max Weber (1864-1920)**

During the late 1800's, many European organizations were managed on a personal, family-like basis. Employees were loyal to a single individual rather than to the organization.

So, Weber from Germany, envisioned organizations managed on an impersonal, rational basis (a <u>bureaucracy</u>).

*These organizations are efficient and adaptive, have rules and written records, employee advancement based on competence, have clear formal structure, division of labor, authority and responsibility.

Humanistic Perspective

It emphasizes the importance of understanding human behaviors, needs, and attitudes in the workplace, as well as social interactions and group processes.

Human Relations Movement: truly effective control comes from within the individual worker rather than from strict, authoritarian control.

Hawthorne Studies

The Hawthorne Factory had conducted a study to see if their workers would become more productive in higher or lower levels of light (1924-1932).

- Workers divided into four experimental & three control groups
- Test pointed to factors other than illumination for productivity
- Factors that increased output were <u>Human Relations</u>
- Social norms, group standards and attitudes more strongly influence individual output and work behavior than do monetary incentives.

Howthorne Effect: being research subjects and the increased attention during the study could lead to temporary increases in workers' productivity (Productivity decreased when study ended).

The Behavioral Sciences Approach

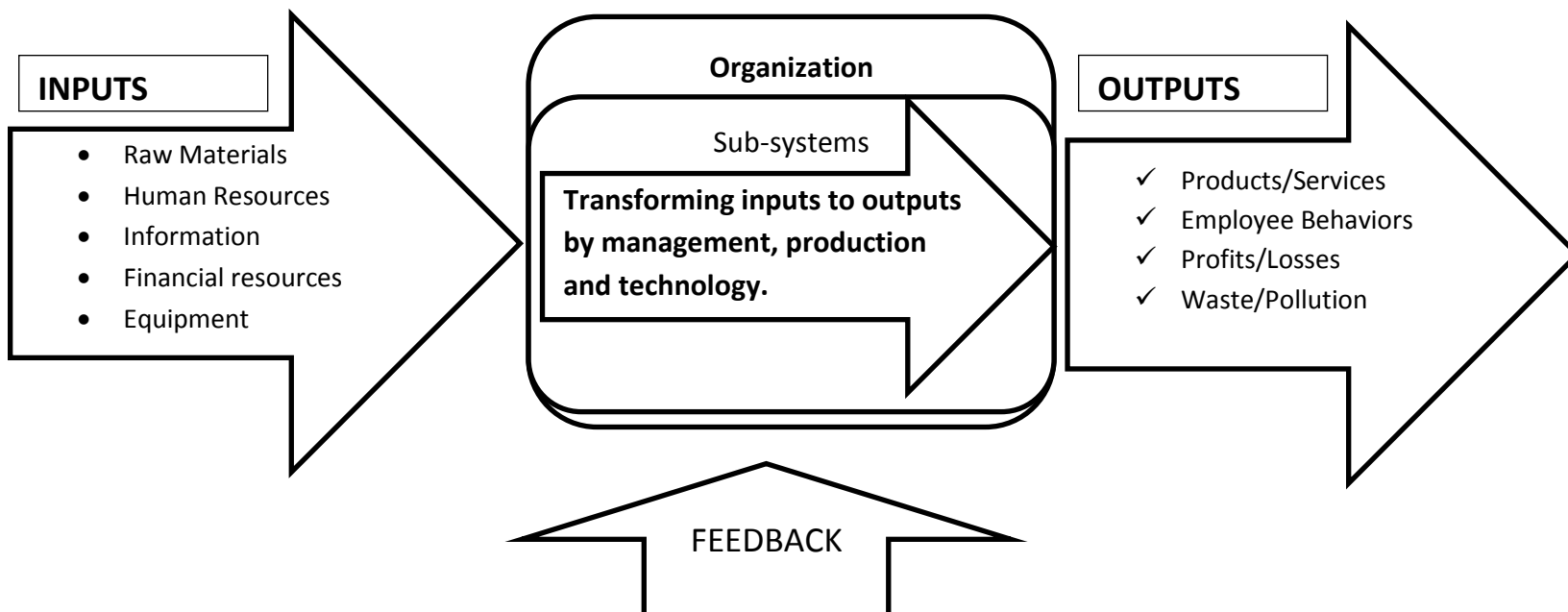**-Douglas McGregor Theory X & Y (1906-1964);**

1) X assumptions:

- Dislike work –will avoid it
- Must be coerced, controlled, directed, or threatened with punishment
- Prefer direction, avoid responsibility, little ambition, want security

2) Y assumptions:

- Do not dislike work
- Self-direction and self-control
- Seek responsibility
- Imagination, creativity widely distributed
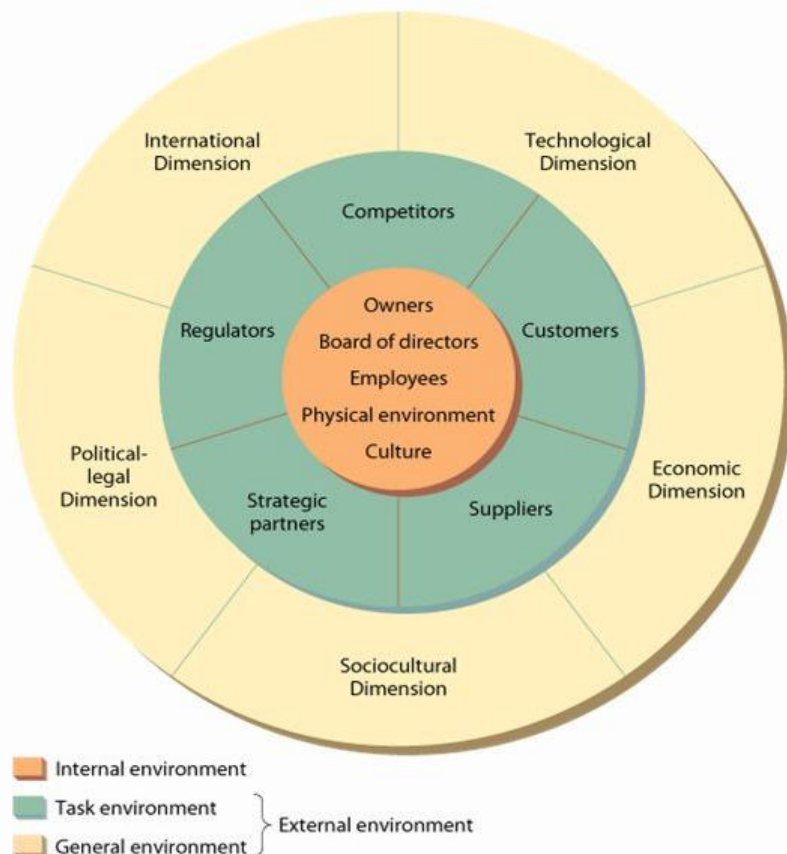- Intellectual potential only partially utilized

The Systems View of Organizations

INPUTS

- Raw Materials
- Human Resources
- Information
- Financial resources
- Equipment

Organization

Sub-systems

Transforming inputs to outputs by management, production and technology.

OUTPUTS

- ✓ Products/Services
- ✓ Employee Behaviors
- ✓ Profits/Losses
- ✓ Waste/Pollution

FEEDBACK

Universal Need for Management

All Sizes of Organizations
Small ←→ Large

All Organizational Areas
Manufacturing—Marketing
Human Resources—Accounting
Information Systems—etc.

Management
Is Needed
in...

All Types of Organizations
Profit ←→ Not-for-Profit

All Organization Levels
Bottom ←→ Top

The Organization and its Environments

International Dimension

Technological Dimension

Competitors

Owners
Board of directors
Employees
Physical environment
Culture

Regulators

Customers

Political-legal Dimension

Strategic partners

Suppliers

Economic Dimension

Sociocultural Dimension

Internal environment
Task environment } External environment
General environment

Who Are Managers?

Manager: someone who coordinates and oversees the work of other people so that organizational goals can be accomplished.

Classifying Managers' Levels in Organizations

First-line Managers

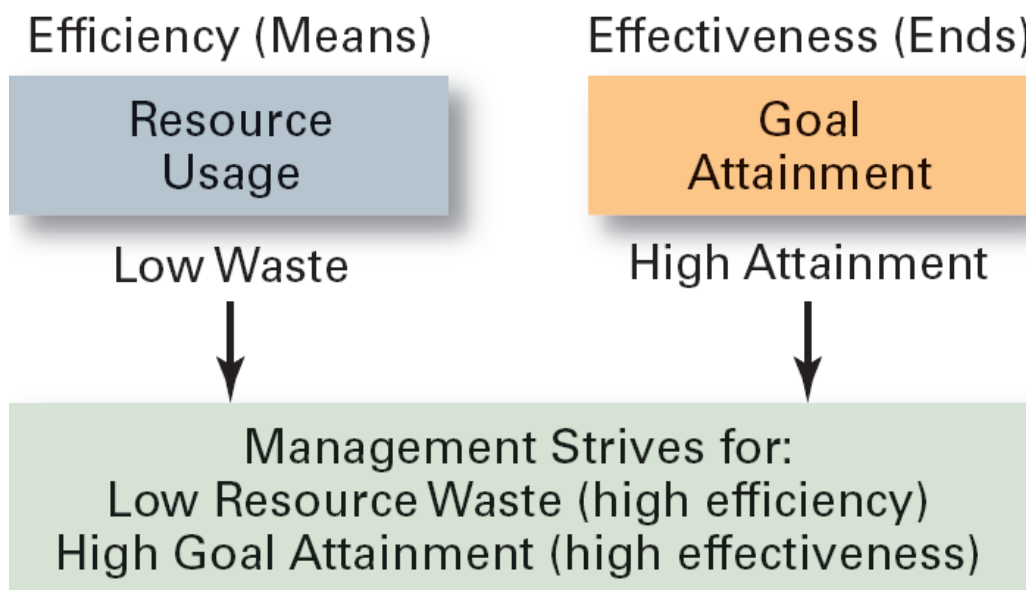Individuals who manage the work of non-managerial employees (e.g. team leaders, supervisors).

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. clinic directors in hospitals and regional managers).

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, chief operating officer, president, and vice president.

Effectiveness and Efficiency in Management

Efficiency (Means)	Effectiveness (Ends)
Resource Usage	Goal Attainment
Low Waste	High Attainment

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

Management Skills (Needed at Different Management Levels)

Conceptual Skills (Top Managers)

The cognitive ability to <u>think analytically</u> and conceptualize about complex situations concerning the organization, to solve problems.

Technical Skills (Middle Managers)

The ability to use <u>knowledge and proficiency</u> or expertise in a specific task

Human skills (First-line Managers)

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

Management Roles

Category	Role	Activity
Informational	Monitor	Seek and receive information, scan papers and reports, maintain interpersonal contacts
	Disseminator	Forward information to others, send memos, make phone calls
	Spokesperson	Represent the unit to outsiders in speeches and reports
Interpersonal	Figurehead	Perform ceremonial and symbolic duties, receive visitors
	Leader	Direct and motivate subordinates, train, advise and influence
	Liaison	Maintain information links in and beyond the organisation
Decisional	Entrepreneur	Initiate new projects, spot opportunities, identify areas of business development
	Disturbance handler	Take corrective action during crises, resolve conflicts amongst staff, adapt to external changes
	Resource allocator	Decide who gets resources, schedule, budget, set priorities
	Negotiator	Represent department during negotiations with unions, suppliers, and generally defend interests

The Four Functions of Management

1. Planning: Defining goals for future organizational performance and deciding on tasks and resource use needed to attain them.

2. Organizing: Assigning tasks and grouping tasks into departments, and allocating resources into departments.

3. Leading: The use of influence to motivate employees to achieve organizational goals.

4. Controlling: Monitoring employees' activities, keeping the organization on track toward its goals, and making corrections as needed.

1. **Planning**

   Planning is the act of determining organizational <u>goals</u> and the means for achieving them.

   Planning is the primary management function because it establishes the basis for all other things managers do as they organize, lead, and control.

   Planning involves two important aspects:
   1. **Setting Goals** (objectives): Desired outcomes for individuals, groups, or entire organization. Goals provide direction and evaluation performance criteria.
   2. **Developing Plans**: Plans are documents that outline how goals are to be accomplished (what actions to be taken). Plans also describe how resources are to be allocated, and establish activity schedules.

Levels of Goals/ Plans
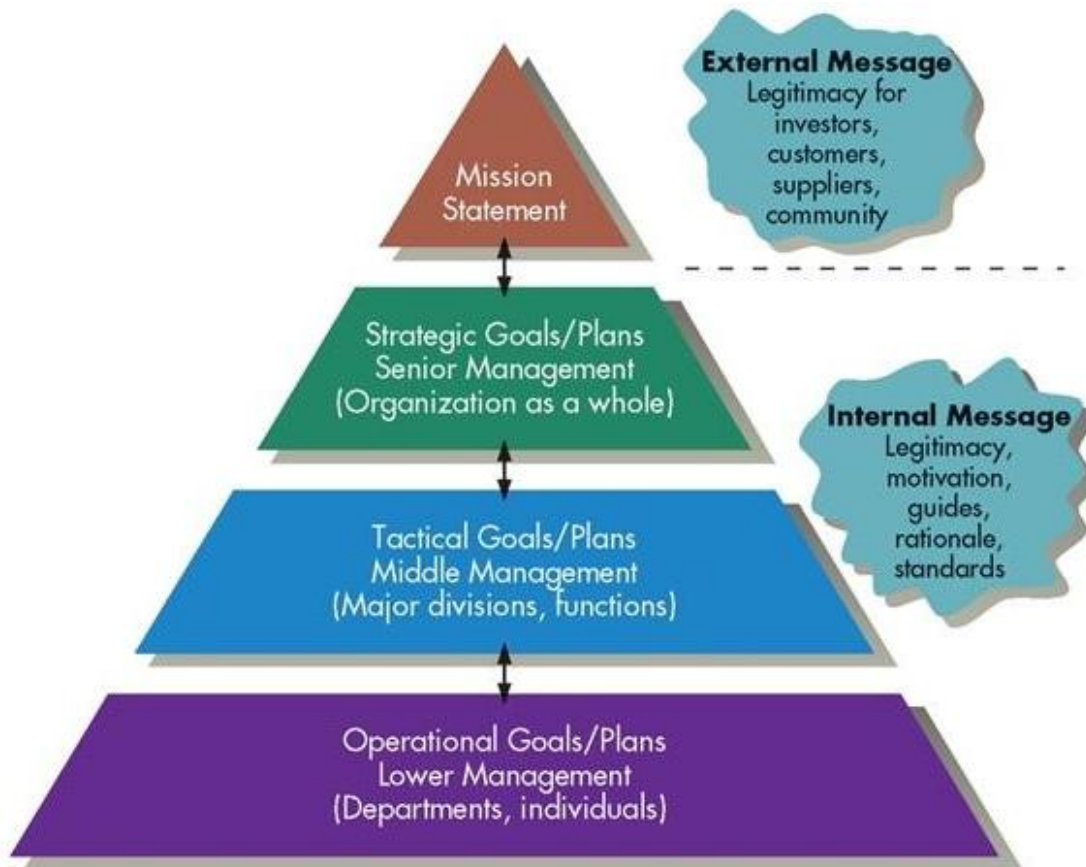
Successful, Well-designed Goals

✓ **Specific and Measurable goals**: Define how the outcome is to be measured, and how much is expected. Specifically worded ("To complete three preoperative consultations every hour" for example and **not** "Do your best")

✓ **Attainable but challenging goals:** Low goals do not motivate, high goals motivate if they are achievable.

✓ **Build goal acceptance and commitment:** people work harder for goals that they accept and believe in, and tend to resist goals forced on them.

✓ **Reward goal accomplishment**: Don't let positive accomplishments pass unnoticed; reward people for achieving their goals.

✓ **Clear as to time frame**: how long before measuring results.

Examples of Goals:

➢ Reduce the rate of post-operative infection by 30% by end of the year.
➢ Reduce the waiting time at the outpatient clinic to 15 minutes by the end of December 2016.
➢ Increase new patient volume by 20 percent in the next year.
➢ Increase revenue by 25% each month by performing major operations a month.
➢ Reduce turnover rate by 15% …

2. Organizing

Organizing is the management function concerned with assigning tasks, grouping tasks into departments, and allocating resources to departments.

Organizational Design is a process involving decisions about six key elements:

1. **Division of labor**: Tasks are subdivided into individual jobs

2. **Chain of command:** Unbroken line of authority that links all persons in an organization; shows who reports to whom

3. **Authority:** Formal and legitimate right of a manager to make decisions and issue orders

4. **Responsibility:** The duty to perform the task or activity an employee has been assigned

5. Span of control: Number of employees who report to **a supervisor(6)**

Departmentalization

The basis on which individuals are grouped into departments

1. **Vertical functional approach.** People are grouped together in departments by common skills.

2. **Divisional approach**. Grouped together based on a common product, program, or geographical region.

3. **Horizontal matrix approach**. Functional and divisional chains of command; some employees report to two bosses.

4. **Team-based approach.** Created to accomplish specific tasks

5. **Network approach**. Small, central hub electronically connected to their other organizations that perform vital functions. Departments are independent, and can be located anywhere.

3. Horizontal Matrix

4. Team-Based

5. Network

Ex: Organizational Structure of JU Hospital

Managing Human Resources

> Necessary part of the organizing function of management to make workforce available through:
> **Attracting, developing**, and **maintaining** a talented and energetic workforce to support organizational mission, objectives, and strategies.

Human Resource Planning

> The process by which managers ensure that they have the right number and kinds of people in the right places, and at the right times, who are capable of effectively and efficiently performing their tasks. (**Helps avoid sudden talent shortages and surpluses).**

3. **Leading**

   ➢ Leading is the ability to influence people toward the attainment of organizational goals.
   ➢ Leading is also the process of inspiring and motivating others.
   ➢ Great leaders are able to bring out the best in other people.
   ➢ Effective managers have to be leaders too.

Importance of Leadership

A leader does the following:

1. Give people a reason to come to work.

2. Help them to develop passion for their work.

3. Instill in them a sense of commitment to their colleagues.

4. Develop their sense of responsibility to customers.

5. Be loyal to the organization and to its people.

Organizational Behavior (OB)

People are an organization's most valuable resource, and the source of managers' most difficult problems.

Employees and managers bring their individual differences to work each day. They do not leave their life behind.

To handle their responsibilities, managers need to understand how individuals and groups tend to act in organizations.

Organizational Behavior is the field of science dedicated to the study of human attitudes, behavior, and performance in organizations.

Important Employee Behaviors:

1. Employee Productivity

2. Absenteeism

3. Turnover

4. Job satisfaction

4. Controlling

The process of monitoring activities to ensure they are being accomplished as planned, and correcting any significant deviations.

The Process of Control

1. Measuring actual performance.
2. Comparing actual performance against standards of performance (targets).
3. Taking action to correct deviations or inadequate standards.

Tools for Controlling Organizational Performance

Feedforward Control
- ➢ A control that prevents anticipated problems before actual occurrences of the problem.

Concurrent Control
- ➢ A control that takes place while the monitored activity is in progress (Direct supervision: management by walking around.)

Feedback Control
- ➢ A control that takes place after an activity is done.
  - ❖ Corrective action is after-the-fact, when the problem has already occurred.

Organizational Control Focus

Feedforward Control
Anticipates Problems

Examples
- Pre-employment drug testing
- Inspect raw materials
- Hire only college graduates

Focus is on → **Inputs**

Concurrent Control
Solve Problems as They Happen

Examples
- Adaptive culture
- Total quality management
- Employee self-control

Focus is on → **Ongoing Processes**

Feedback Control
Solves Problems After They Occur

Examples
- Analyze sales per employee
- Final quality inspection
- Survey customers

Focus is on → **Outputs**