



# Introduction to Health Services Management



# Learning Objectives

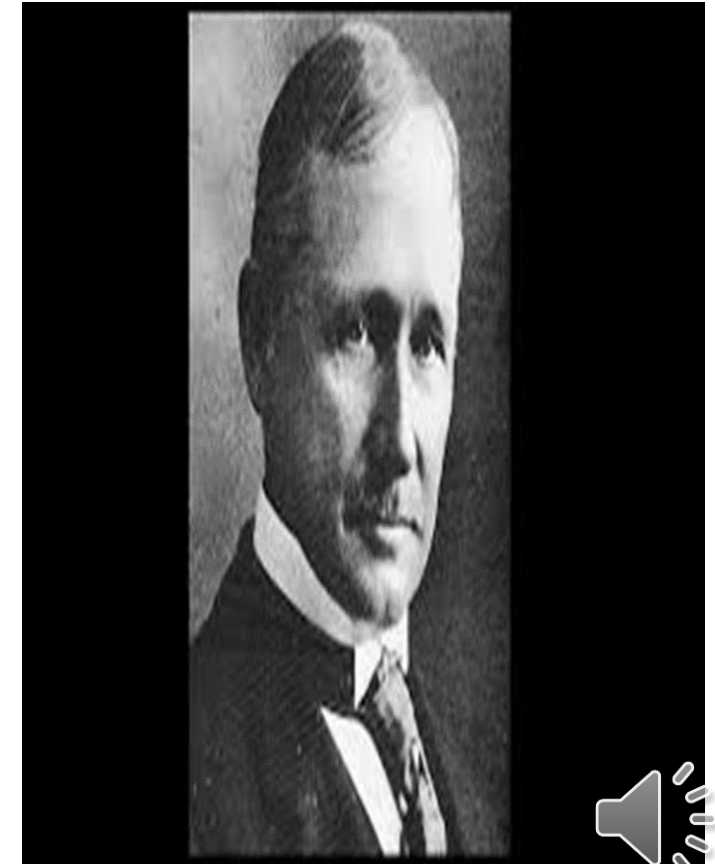
- **By the end of this lecture, you should be able to:**
  1. Describe the historical development of management.
  2. Describe the historical development of health care management.
  3. Describe definition of system and health system
  4. Describe health system building blocks as described by WHO.



# Historical development of management

## A. Development of Management Thought

- Management has developed since the time the world came into existence.
- Whenever group efforts are necessary to achieve anything, there is a need for management.
- Frederick Winslow Taylor, (1856-1915), the father of scientific management.



# “Frederick Taylor's scientific management theory”

- **The classical management theory**, emphasizes efficiency.
- According to Taylor, rather than scolding employees for every minor mistake, employers should reward workers for increased productivity.
- Taylor introduced a clear vision for the division of labour depending on responsibilities and rank.



# Principles of scientific management theory

- Using scientific methods to determine and standardize the **one best way of doing a job**
- A clear division of tasks and responsibilities.
- High pay for high-performing employees.
- A hierarchy of authority and strict surveillance of employees.



# Scientific Management Principles

1. **Science, Not Rule of Thumb:** In order to increase organisational efficiency, the 'Rule of Thumb' method should be substituted by the methods developed through scientific analysis of work.
  - Rule of Thumb means decisions taken by manager as per their personal judgments.
  - According to Taylor, for every work there is **only one method of doing it** which can be ascertained by logic and not with the help of hit and trial method. This helps in saving time and increasing efficiency to a large extent.



# Scientific Management Principles

## 2. Harmony, Not Discord

- This principle requires that there should be complete harmony between the management and workers and both should feel that they are part of the same family.



# Scientific Management Principles

## **3. Cooperation, Not Individualism.**

- According to this principle, all the activities done by different people must be carried on with a spirit of mutual cooperation.
- Taylor has suggested that the manager and the workers should jointly determine standards. This increases involvement and thus, in turn, increases responsibility. In this way we can expect miraculous results.





# Scientific Management Principles

## **4. Development of each and every person to his or her greatest efficiency and prosperity.**

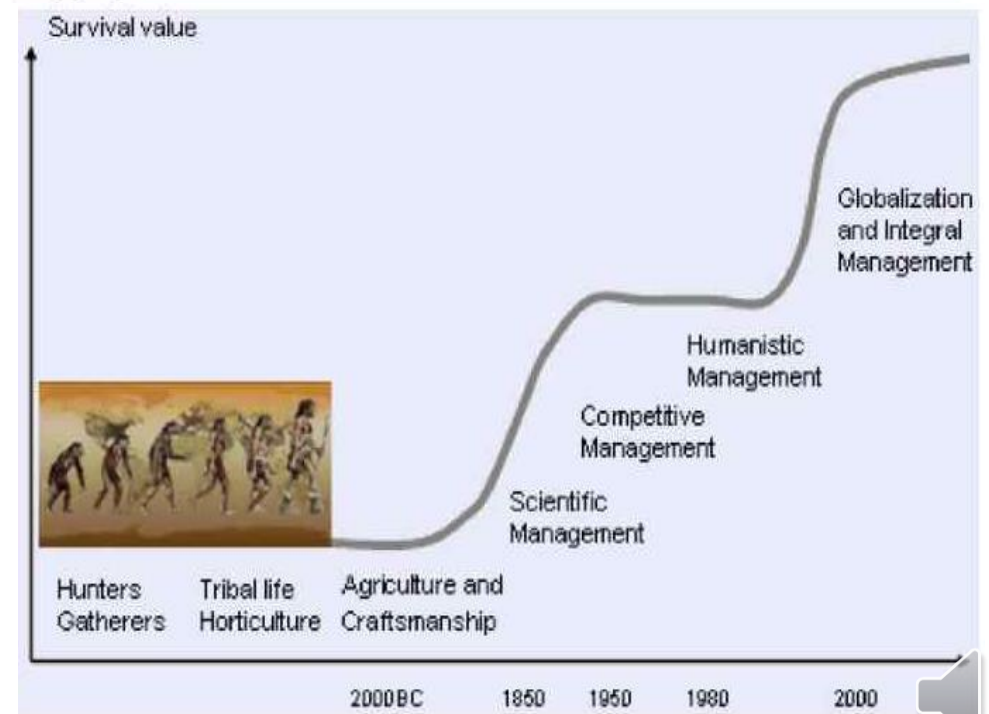
- This principle stands for the development of workers through trainings in order to learn the best methods developed through the use of scientific approach.



# “B. Pre-scientific Management Era (before 1880)”

- The period immediately preceding the scientific management movement started by F.W .TAYLOR.
- Development of management as a science is of recent origin, even though its practice is as old as civilisation.
- With the advent of industrial revolution, management of enterprises assumed an increasingly important role.

**Time line of management thought. The major turning points in the history and evolution of management**



# History of Health Care Management

- The development of healthcare management as a career field has largely followed the development of medical science and the growth of hospitals in the United States.
- Until the early part of the twentieth century, very little could actually be done in hospitals to improve the health of patients.
- People who had enough money received nursing care in their homes when they were ill or dying or having a child.
- However, with the advent of anti-sepsis and anaesthesia, the development of modern surgery, and the discovery of antibiotics in the late 1800s and early 1900s, hospitals became places that could offer cures and relieve suffering.
- Between 1875 and 1925, the number of hospitals in the United States grew from just over 170 to about 7,000, and the number of hospital beds increased from 35,000 to 860,000.



# History of Health Care Management

- Early hospital managers were called “superintendents” and typically had little specific training for their jobs—many were nurses who had taken on managerial responsibilities.
- Over half of the superintendents who belonged to the American Hospital Association in 1916 were graduate nurses, and the first formal hospital administration and nursing school administration educational program, in health economics, was established for nurses at Columbia Teachers College in New York in 1900 (Stevens 1999).
- Other hospital superintendents were physicians, and Catholic sisters.



# History of Health Care Management

- Over the course of the last century, the field of healthcare management and the organizations in which executives work have changed dramatically.
- Hospitals have become large, complex organizations; technology has advanced at an almost unbelievable rate; the financing of healthcare has moved from self-pay to a complicated third-party reimbursement system; and government has taken an increasingly larger role in healthcare delivery (Rosenberg 1987).



# System definition

## **What is a system?**

**“A system is a group of interacting, interrelated, or interdependent elements forming a complex whole”**

(Heritage Dictionary, 4<sup>th</sup> ed., 2000 by Houghton Mifflin Company)

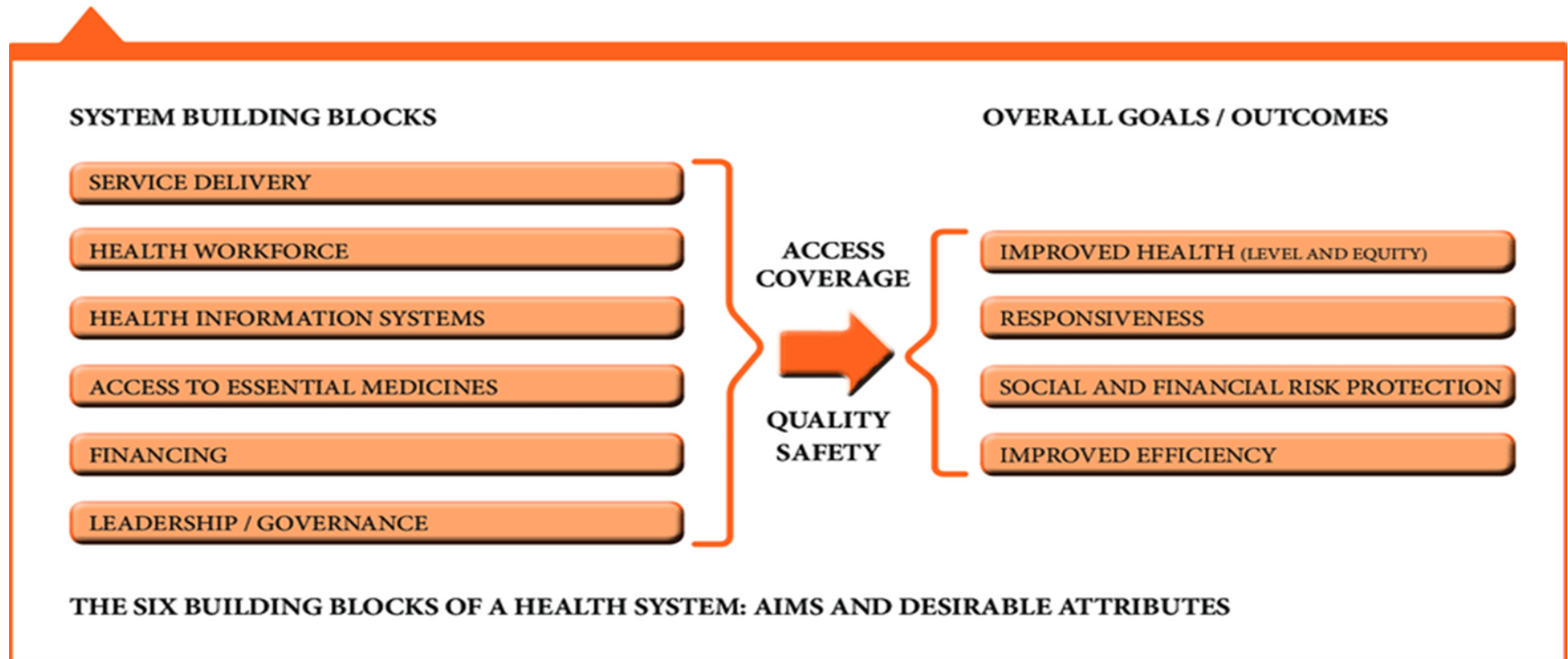


# Health system

- A **system** is an arrangement of parts and their interconnections that come together for a purpose.
- A **health system** consists of all organizations, people and actions whose primary intent is to promote, restore or maintain health. Like any other system, it is a set of interconnected parts that have to function together to be effective.



# “The Six Health System Building Blocks” (WHO)





# Components / Pillars of Health System

- The WHO framework refers to the building blocks of the health system. These are:
  - service delivery;
  - health workforce;
  - information;
  - medical products, vaccines and technologies;
  - financing; and
  - leadership and governance.
- The building blocks need to be functioning well for the health system to produce the expected health outcomes.



# “The Six Health System Building Blocks” (WHO)

- **Health system goal:** improving health and health equity, in ways that are responsive, financially fair, and make the best, or most efficient use of available resources.
- Health system objectives:
  1. Improve access, and quality of services;
  2. Achieve better coverage of services.
- Investment in the building blocks aims to improve coverage of services through attaining desired access to interventions, without compromising quality and safety



# The Six Health System Building Blocks

- Strengthening health system means improving these six health system building blocks and managing their interactions in ways that achieve more equitable and sustained improvements across health services and health outcomes which require technical and political knowledge and action.
- WHO defined Health System Strengthening as “any array of initiatives that improves one or more of the functions of the health systems and that leads to better health through improvements in access, coverage, quality or efficiency.”



# Basic checklist for what to think about when you analyse the building blocks?

- **Service Delivery.** Good service delivery comprises quality, access, safety and coverage.
- **Health Workforce.** A well-performing workforce consists of human resources management, skills and policies.
- **Health Information System.** A well performing system ensures the production, analysis, dissemination and use of timely and reliable information.
- **Medical Products.** Procurement and supply programs need to ensure equitable access, assured quality and cost-effective use.
- **Financing.** A good health financing system raises adequate funds for health, protects people from financial catastrophe, allocates resources, and purchases good and services in ways that improve quality, equity, and efficiency.
- **Leadership and Governance.** Effective leadership and governance ensures the existence of strategic policy frameworks, effective oversight and coalition building, the provision of appropriate regulations and incentives, and attention to system design, and accountability.



# Expected Outcomes of Well Functioning Pillars

1. Good health services are those which:
  - Deliver effective, safe, quality personal and non-personal health interventions to those that need them, when and where needed, with minimum waste of resources;



# Expected Health Outcomes of Well Functioning Pillars (Cont'd)

2. A well-performing health workforce is one that:
  - Works in ways that are responsive, fair and efficient to achieve the best health outcomes possible, given available resources and circumstances (i.e. there are sufficient staff, fairly distributed, they are competent, responsive and productive);
  - Needs norms/standards that govern production of sufficient staff and ensure fair distribution.



## Expected Health Outcomes of Well Functioning Pillars (Cont'd)

3. A well-functioning health information system is one that:
  - Ensures the production, analysis, dissemination and use of reliable and timely information on health determinants, health system performance and health status;
  - Has standardised and integrated systems and tools;
  - Enables linkages – local, national, regional and global.



## Expected Health Outcomes of Well Functioning Pillars (Cont'd)

4. A well-functioning health system ensures equitable access to essential medical products and technologies of assured quality, safety, efficacy and cost-effectiveness, and their scientific soundness and cost-effective use.

- The medical products include medicine, etc.;
- Technologies include health infrastructure (e.g. X-ray, lab, vaccines, etc.);
- Norms/standards and policy options on products and technologies are needed.





## Expected Health Outcomes of Well Functioning Pillars (Cont'd)

### 5. A good health financing system:

- Raises adequate funds for health, in ways that ensure people can use needed services, and are protected from financial catastrophes or impoverishment associated with having to pay for them;
- Provides incentives for providers and users to be efficient.



## Expected Health Outcomes of Well Functioning Pillars (Cont'd)

### 6. Leadership and governance denotes:

- Stewardship that involves ensuring that strategic policy frameworks exist and are combined with effective oversight, coalition-building, regulation, attention to system-design, transparency and accountability.



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**THANK  
YOU**

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