



Health services management: Definitions and Styles



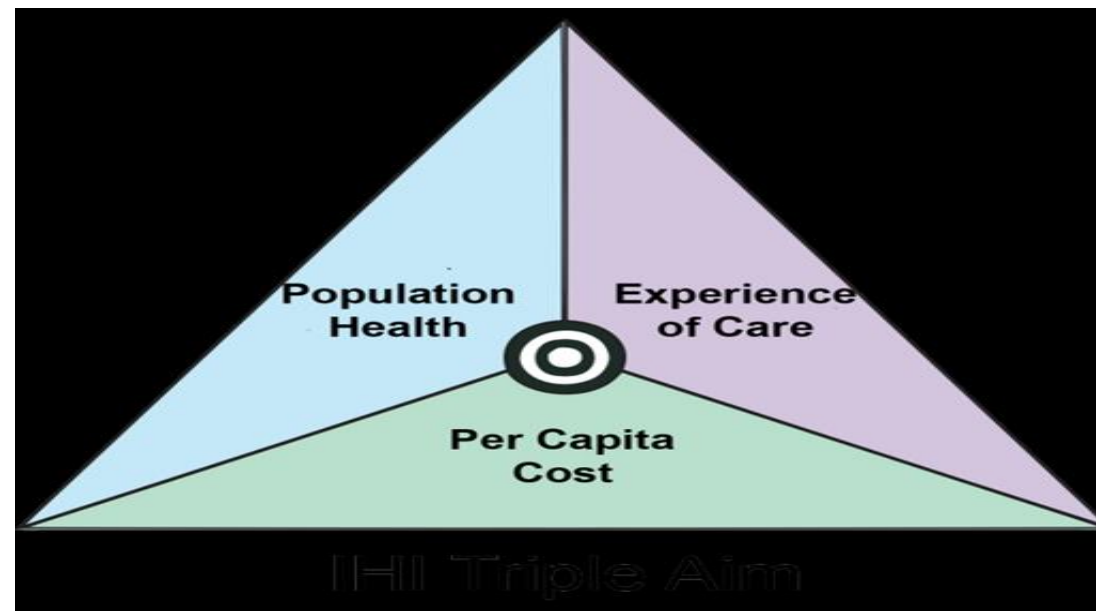
Learning Objectives

- **By the end of this lecture, you should be able to:**
 1. Define management and healthcare management.
 2. Define efficiency and effectiveness.
 3. Identify the differences between management in healthcare and management in other sectors.
 4. Identify different management styles.
 5. Differentiate between management and leadership
 6. Identify core competencies in healthcare management and leadership.



Triple Aim of Health Care

- Improving the individual **experience of care** (including quality and satisfaction); improving the **health of populations**; and reducing the **per capita costs** of care for populations.



Definitions of management and health management

Management may be defined as :

- A continuous dynamic process to effectively **Getting things done.**
- Process of reaching organisational goals by working with and through people and other resources.
- The process of directing, coordinating, and influencing the operations of an organisation so as to obtain desired results and enhance total performance.
- Planning, organising, directing and controlling: **the art of getting things done by and through people (WHO, 1993: 5).**
 - 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 therefore; The application of management principles for Health care**

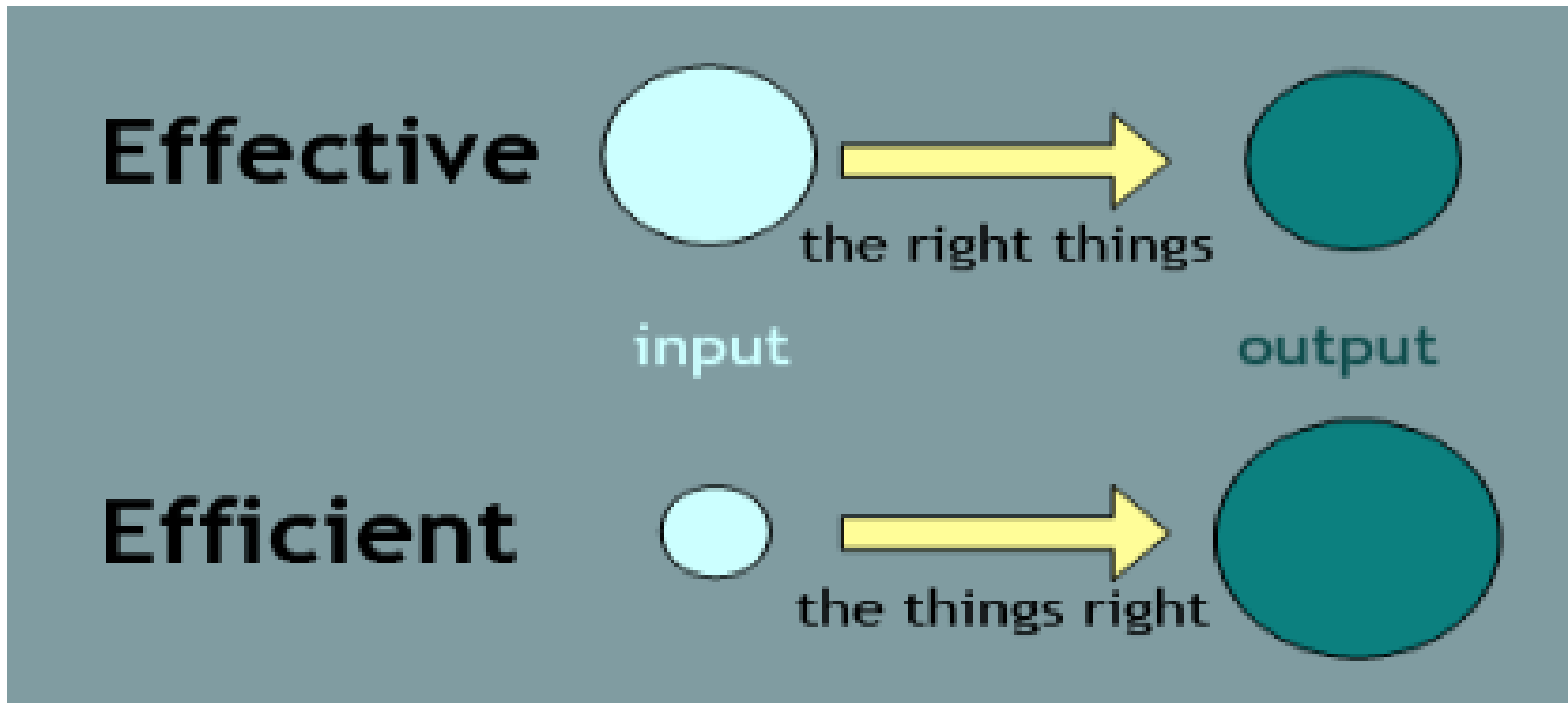


The differences between health management and management in other sectors

- Hospital settings are totally different from typical business building and set up.
- There is a greater than usual shortage of skilled personnel health care experts, care givers and professionals.
- There are emergency related and non-deferrable work requirements
- There must be zero or low tolerance for error or ambiguity in work.
- Health care systems are characterized by exceptional coordination among diverse groups of people.
- High levels of complexity, specialization and non-routine schedules of work require exceptional coordination among professionals.



Effectiveness versus Efficiency



Effectiveness versus Efficiency

Effectiveness	Efficiency
focuses on achieving the objective	focuses on maximum result with least time and effort
Being effective means doing the right things	Being efficient means doing things in right manner



Efficiency and Effectiveness

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)



Healthcare Management

- ❖ Health care management is a growing profession with increasing opportunities in both direct care and non–direct care settings.
 - **Direct care settings** 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.



Healthcare Management

- 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
- The Bureau of Labour Statistics (BLS, 2014) indicates health care management is one of the fastest-growing occupations, due to the expansion and diversification of the health care industry.
- The BLS projects that employment of medical and health services managers is expected to grow 23% from 2012 to 2022, faster than the average for all occupations.



Healthcare Management

- These managers are expected to be needed in inpatient and outpatient care facilities, with the greatest growth in managerial positions occurring in outpatient centres, clinics, and physician practices.
- Hospitals, too, will experience a large number of managerial jobs because of the hospital sector's large size.



Healthcare Management

- Moreover, these estimates do not reflect the significant growth in managerial positions in non-direct care settings, such as consulting firms, pharmaceutical companies, associations, and medical equipment companies.
- These non-direct care settings provide significant assistance to direct care organizations, and since the number of direct care managerial positions is expected to increase significantly, it is expected that growth will also occur in managerial positions in non-direct care settings.

The Need for Managers And Their Perspectives

- Health care organizations are complex and dynamic.
- Managers provide leadership, as well as the supervision and coordination of employees.
- Managers provide coordination of many highly specialized disciplines that must work together seamlessly.
- Managers ensure organizational tasks are carried out in the best way possible to achieve organizational goals and that appropriate 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.
- Managers ensuring that the patient receives the most appropriate, timely, and effective services possible.
- Managers address achievement of performance targets.
- Ultimately, decisions made by an individual manager impact the organization's overall performance



Management Domains

- Managers must consider two domains as they carry out various tasks and make decisions:

1. External domain

- Comprise influences, resources, and activities that exist outside the boundary of the organisation, but which significantly affect the organisation.
- Include: community needs, population characteristics.

2. Internal domain

- Refer to those areas of focus that managers need to address on a daily basis.
- Include: ensuring the appropriate number and types of staff, financial performance, and quality of care.
- Reflect the operation of the organisation where the manager has the most control.



Management domains

- Keeping the dual perspective requires significant balance and effort on the part of management in order to make good decisions.



Main management styles

- **Autocratic** – decisions are made unilaterally along with close supervision of employees.
- **Consultative (Participative)**–the consultative management style is where managers consult other team members before arriving at a decision.
- **Persuasive** – Maintain control over entire decision-making process whilst working with employees to convince them of benefits of decisions made.



Main management styles

- **Democratic** - Allows employees to take part in decision making – making most matters agreed upon by the majority.
- **Chaotic** - gives employees total control over the decision - making process.
- **Laissez Faire** – Managers are hands off and allow group members to make decisions – leads to highest productivity among employees.



Management functions

- Function is a broad area of responsibility composed of many activities aimed at achieving a predetermined objective.
 - Managers implement six management functions as they carry out the process of management
 1. Planning
 2. Organising
 3. Staffing
 4. Controlling
 5. Directing
 6. Decision making.
- (Longest Jr & Darr, 2014)



Planning

- This function requires the manager to set a direction and determine what needs to be accomplished.
- It means setting priorities and determining performance targets (Buchbinder, Shanks, & Kite, 2019).



Organizing

- Refers to the overall design of the organization or the specific division, unit, or service for which the manager is responsible.
- Furthermore, it means designating reporting relationships and intentional patterns of interaction.
- Determining positions, teamwork assignments, and distribution of authority and responsibility are critical components of this function (Buchbinder, Shanks, & Kite, 2019).



Staffing

- This function refers to acquiring and retaining human resources.
- It also refers to developing and maintaining the workforce through various strategies and tactics (Buchbinder, Shanks, & Kite, 2019).



Controlling

- This function refers to monitoring staff activities and performance and taking the appropriate actions for corrective action to increase performance (Buchbinder, Shanks, & Kite, 2019).



Directing

- The focus in this function is on initiating action in the organization through effective leadership and motivation of, and communication with, subordinates (Buchbinder, Shanks, & Kite, 2019).



Decision making

- This function is critical to all of the aforementioned management functions and means making effective decisions based on consideration of benefits and the drawbacks of alternatives (Buchbinder, Shanks, & Kite, 2019).



Leadership in healthcare

- The health care environment is complex and dynamic; it experiences problems peculiar to its unique characteristics.
- ✓ internal pressures arising from increased demands for transparency and accountability, increasing influence of various stakeholders, such as political and social groups, who have vested interests in the sector, and shortages of health care professionals due to the effect of ageing workforces.
- ✓ Factors outside the health care environment, such as changing population demographics, economic factors, government policies, and advancement in medical and information technologies, also exert profound influences on the health sector.
- Thus, the health care sector undergoes constant reforms arising from the interplay of factors both within and outside its control.
- Such reforms are necessary to meet the expectations of the population and ensure the delivery of safe, effective, and high quality-health care.
- Effective leadership is required to lead and drive changes at all levels of the health system to actualise the goals of the ongoing reforms in health care organisations.



Leadership in healthcare

- Leadership revolves around vision, ideas, direction, and inspiration; it establishes direction and motivates others to achieve organisational goals rather than a focus on day-to-day implementation of those goals .
- “Managers are people who do things right and leaders are people who do the right thing.
- The difference may be summarised as activities of vision and judgment (effectiveness) versus activities of mastering routines (efficiency)”.



Management	Leadership
Managers give directions	Leaders ask questions
Managers have subordinates	Leaders have followers
Managers use an authoritarian style	Leaders have a motivational style
Managers tell people what to do	Leaders show people what to do
Managers have good ideas	Leaders implement good ideas
Managers react to change	Leaders create change
Managers try to be heroes	Leaders make heroes of everyone around them
Managers exercise power over people	Leaders develop power with people



Transformational and Transactional Leadership in Healthcare



Transactional
Leadership

Transformational
Leadership



Transformational Leadership

- Transformational leadership requires an individual to establish, communicate, and motivate others to pursue a shared vision.
- To do this, physician leaders must engage in 4 specific sets of behaviours: idealized influence, inspirational motivation, individualized consideration, and intellectual stimulation.
- **Idealized influence** suggests that a transformational leader must lead by example. Physician leaders must be role models for their teams, engaging in the behaviours they expect of their colleagues and subordinates (eg, error reporting, patient-centered care).
- By engaging in desired behaviours themselves, physician leaders capitalize on their authority to create a culture that supports pursuit of the ultimate goal, even in times of stress.



Transformational Leadership

- Physician leaders must engage in **inspirational motivation**. Goal pursuit, especially in stressful environments, can be mentally and physically taxing. As leaders, physicians are uniquely positioned to motivate their colleagues and subordinates to continue exerting effort toward the achievement of the team's goals.
- This may manifest as emotional support or encouragement, or may lean more toward reframing stressors (e.g., limited resources or time) as challenges to be overcome.



Transformational Leadership

- Transformational leaders rely on **individualized consideration**.
- The recognition that members of the team are unique individuals each with his or her own set of strengths, challenges, goals, and values.
- By recognizing the individuality of teammates and then addressing and capitalizing on these differences by tailoring motivational styles or role distributions, transformational leaders can improve the efficacy of their teams.



Transformational Leadership

- The final component of transformational leadership is **intellectual stimulation**.
- This requires that leaders engage their colleagues and subordinates whenever possible in decision making, openly inviting participation in team efforts, particularly regarding safety.
- By creating a climate of psychological safety in which all team members feel welcome and able to speak up, transformational leaders not only help their teams avoid medical errors, but also keep their team members engaged and motivated to continue pursuing challenging long-term goals.



Transactional leadership

- Transactional leadership, on the other hand, is particularly useful when guiding and motivating individuals to complete their clearly defined tasks with minimal errors.
- This involves the use of contingent reward behaviours (i.e., provision of resources in exchange for performance), as well as management by exception (e.g., performance monitoring and error correction).
- Resources can include social resources like praise or tangible resources like time off or bonuses.



Health management and leadership competencies

- The terms ‘competency’ and ‘competence’ are often used interchangeably and inconsistently in health management and leadership literature. However, both terms are distinct concepts.
- Competency refers to the knowledge, skills, and attitudes which health leaders require for effective performance in roles. and can be improved with training and development interventions.
 - Knowledge has been described as a demonstration of the awareness or understanding of the concepts, theories, guidelines, or principles required to successfully perform a task.
 - Skill refers to the possession of the capacity to successfully carry out physical or cognitive tasks to achieve a specific outcome.
 - attitude refers to “a relatively enduring organisation of beliefs, feelings, and behavioural tendencies towards socially significant objects, groups, events or symbols “.
- Certain competencies are considered as crucial for successful performance of organisations; such competencies are known as ‘core competencies’, a concept first advocated by Prahalad and Hamel.
- Core competencies have also been described as common competencies which overlap and complement one another and are shared by health managers in a wide range of positions and settings.



Health management and leadership competencies

- Competence is the ability to consistently produce the outcomes required for effective achievement of organisational goals.
- The term 'proficiency', or 'competence level', refers to the level of expertise for a particular competency.



Common competencies in healthcare management and leadership

1. Communication and Relationship Management

- The ability to communicate clearly and concisely with internal and external customers, to establish and maintain relationships, and to facilitate constructive interactions with individuals and groups.

2. Leadership

- The ability to inspire individual and organizational excellence, to create and attain a shared vision, and to successfully manage change to attain the organization's strategic ends and successful performance.



Common competencies in healthcare management and leadership

3. Professionalism

- The ability to align personal and organizational conduct with ethical and professional standards that include a responsibility to the patient and community, and a commitment to lifelong learning and improvement.

4. Knowledge of the Healthcare Environment:

- The demonstrated understanding of the healthcare system and the environment in which healthcare managers and providers function.

5. Business Skills and Knowledge:

- The ability to apply business principles, to the healthcare environment; basic business principles include (a) financial management, (b) human resource management, (c) organizational dynamics and governance, (d) strategic planning and marketing, (e) information management, (f) risk management, and (g) quality improvement.



Conclusion

- The health care sector is complex, characterised by constant changes and reforms.
- Strong and competent management and leadership workforces are thus required to navigate the sector through the complex web of interacting factors and lead reforms for effective and efficient health care delivery.
- Effective healthcare management is essential for the creation of a high performing healthcare delivery system.
- A number of studies have demonstrated the link between management capacity and health systems performance, and the lack of managerial capacity at all levels has been cited as a key constraint in the achievement of the Millennium Development Goals and other global health targets.
- Healthcare management is particularly critical in the public sector of low- and middle-income countries (LMICs) where resources are inadequate and efficiency in their deployment is essential to meet the national and global targets for health outcomes.
- In many LMIC settings, physicians are called upon to fill healthcare management roles because of their level of education, respected status in society, and clinical/technical expertise related to the services being offered. However, physicians typically lack previous management-related training, mentorship, and professional development that would prepare them for these roles.





Thank you

