



# What Is Management?

- ✓ Management is the art of getting things done through and with people.
- ✓ Management is the attainment of organizational goals in an effective and efficient manner through: planning, organizing, leading, and controlling organizational resources.

## Efficiency

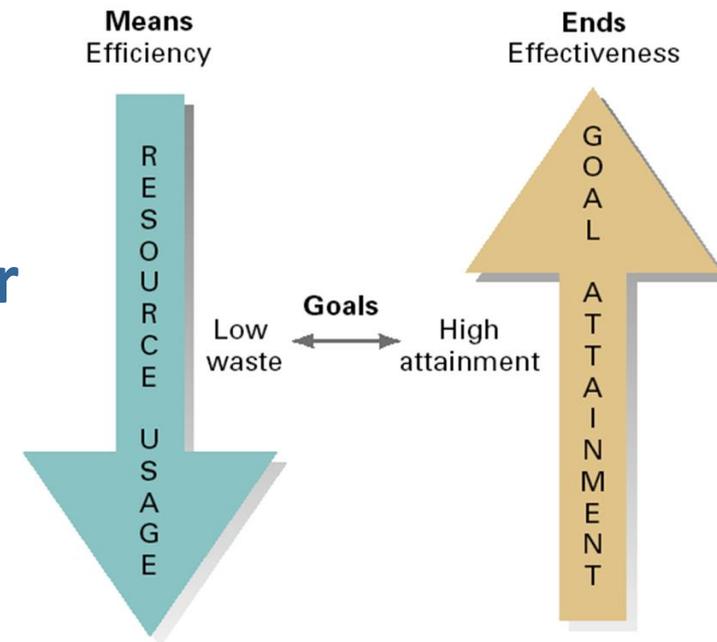
“Doing things right”

- Getting the most output for the least inputs (people, money, ...)

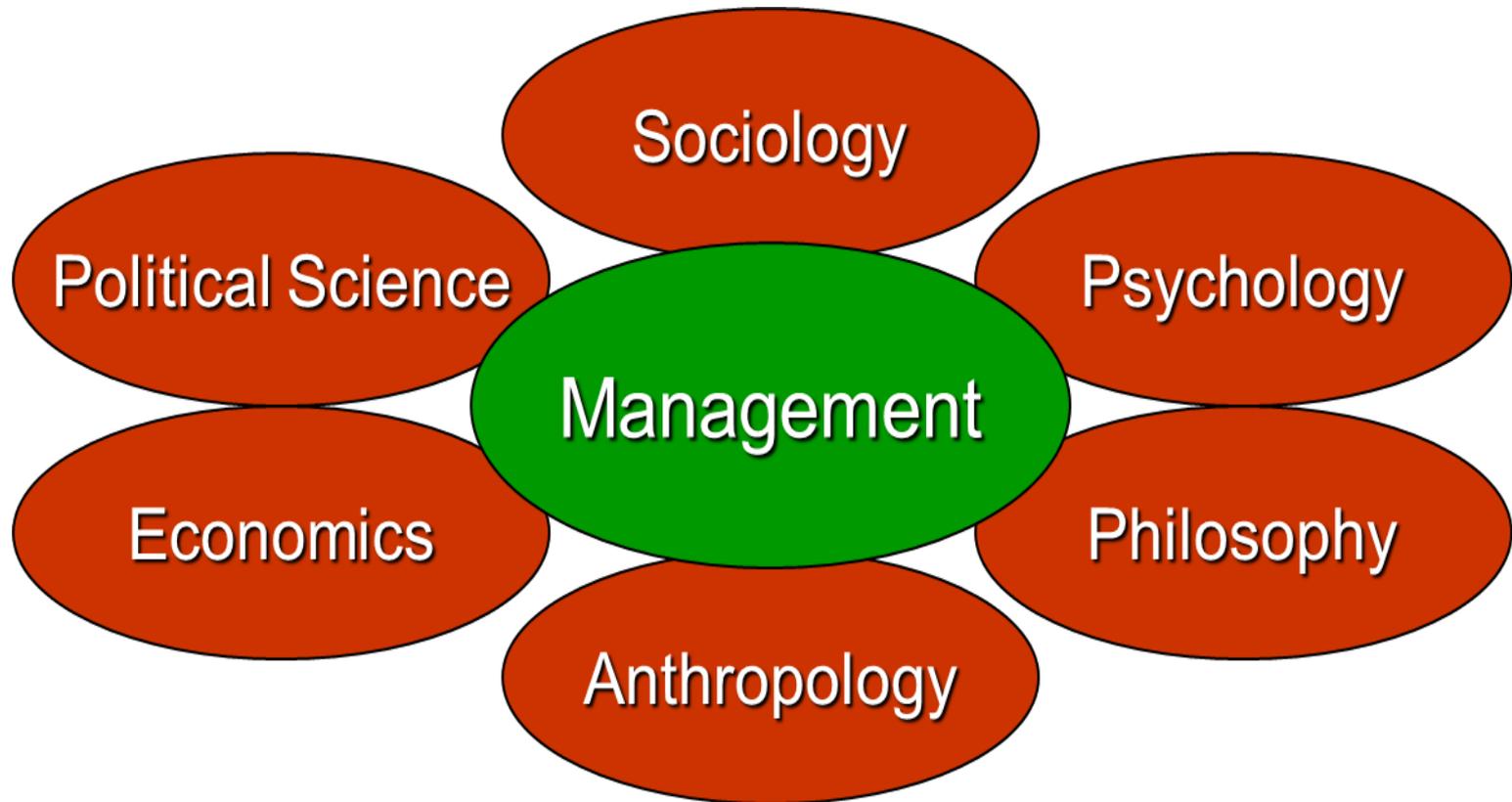
## Effectiveness

“Doing the right things”

- Attaining organizational goals



# How Does Management Relate To Other Disciplines?



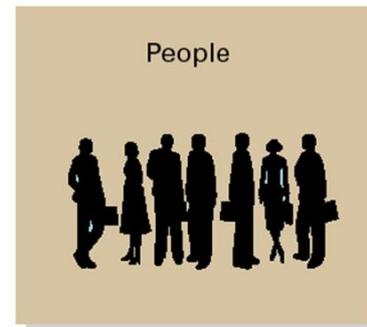
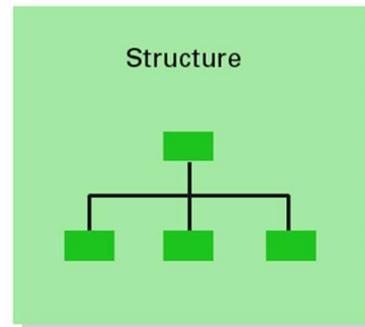
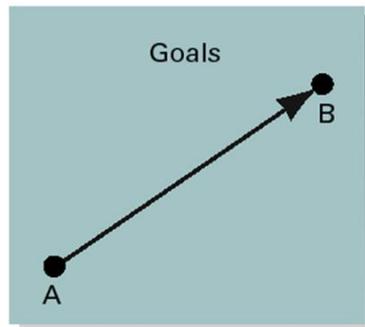
# What Is An Organization?

## An Organization Defined:

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

## Common Characteristics of Organizations

1. Have a distinct purpose (goal)
2. Composed of people
3. Have a deliberate structure



# What Is An Organization?

In health care, organizations can take a variety of forms:

- Small non-profit clinics
- Large for-profit 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.

Although many organizations focus on producing services (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

## Ancient Management

- Egypt (pyramids) and China (Great Wall)
- Venetians (floating warship assembly lines)

## Adam Smith

- Published *“The Wealth of Nations”* in 1776
  - Advocated the division of labor (job specialization) to increase the productivity of workers

## 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

## Fredrick Winslow Taylor

The “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:

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

# **Scientific Management (cont'd)**

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

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

**He started his work on bricklayers, then his work had great impact on medical surgery, by drastically reducing the time patients spend on the operating table.**

**Surgeons were able to save countless lives through the application of time and motion study.**

# Scientific Management (cont'd)

## Frank and Lillian Gilbreth (1868-1924)

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

Because Scientific management ignored the social context and workers' needs, it led to increased conflict and violent clashes between managers and employees, because workers felt exploited.

# Scientific Management (cont'd)

## 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 or its mission.

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

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

After scientific management, a more humanistic approach on management appeared.

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

**Human Relations Movement:** The 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).

- 1) Four experimental & three control groups
- 2) Test pointed to factors other than illumination for productivity
- 3) Factors that increased output were **Human Relations**
- 4) Social norms, group standards and attitudes more strongly influence individual output and work behavior than do monetary incentives.

**Hawthorne 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)

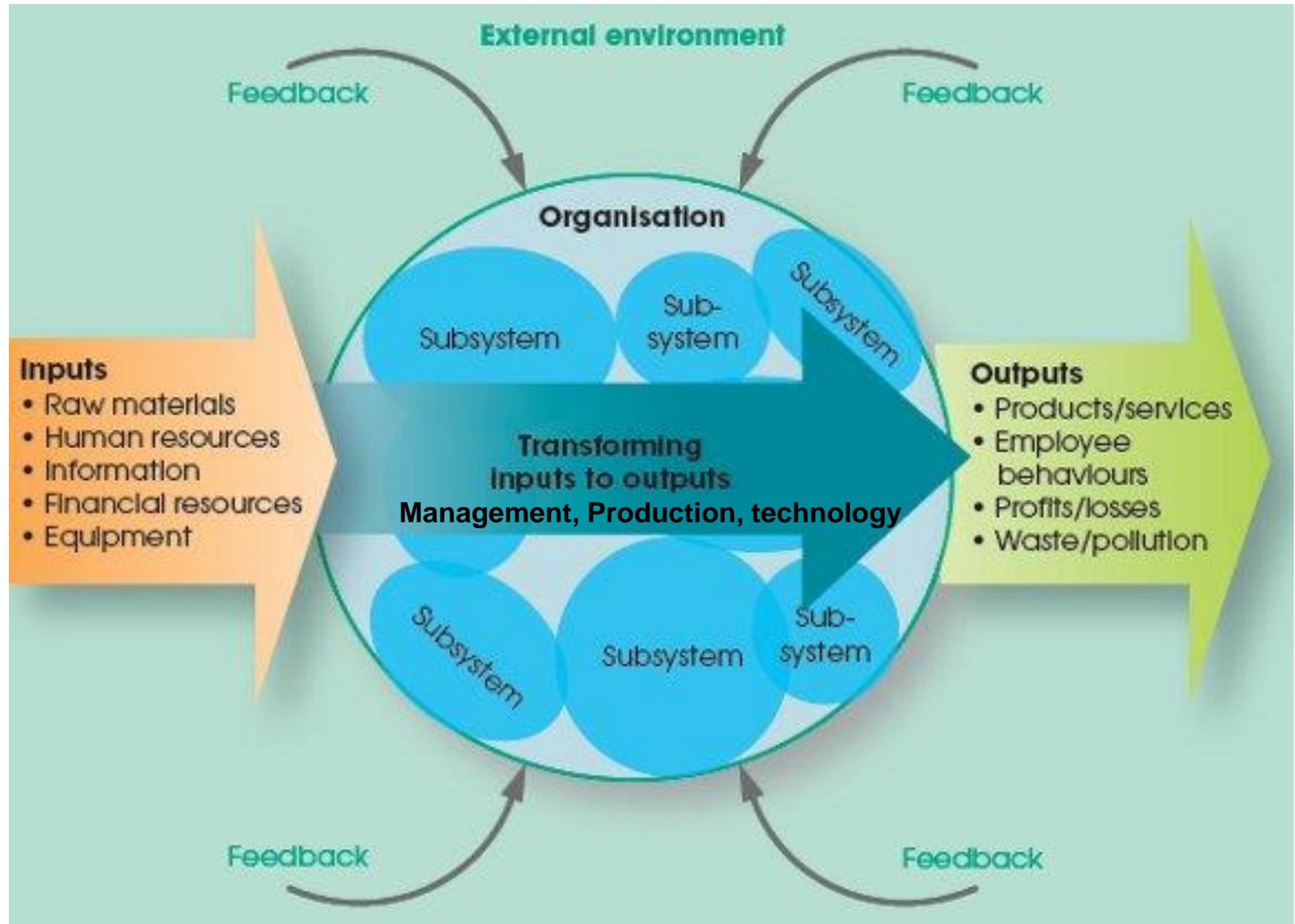
### Theory X assumptions

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

### Theory 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



**So, why should  
physicians  
study  
Management???**

# Why Study Management?

The study of management builds the skills needed in today's workplace to succeed in:

- Becoming a partner in managing your organization through participative management.
- Working in a team and sharing in decision making and other management tasks.

The study of management also applies directly to your personal life in helping you to:

- Communicate with and interact with people every day.
- Make personal plans and decisions, set goals, prioritize what you will do, and get others to do things for you.

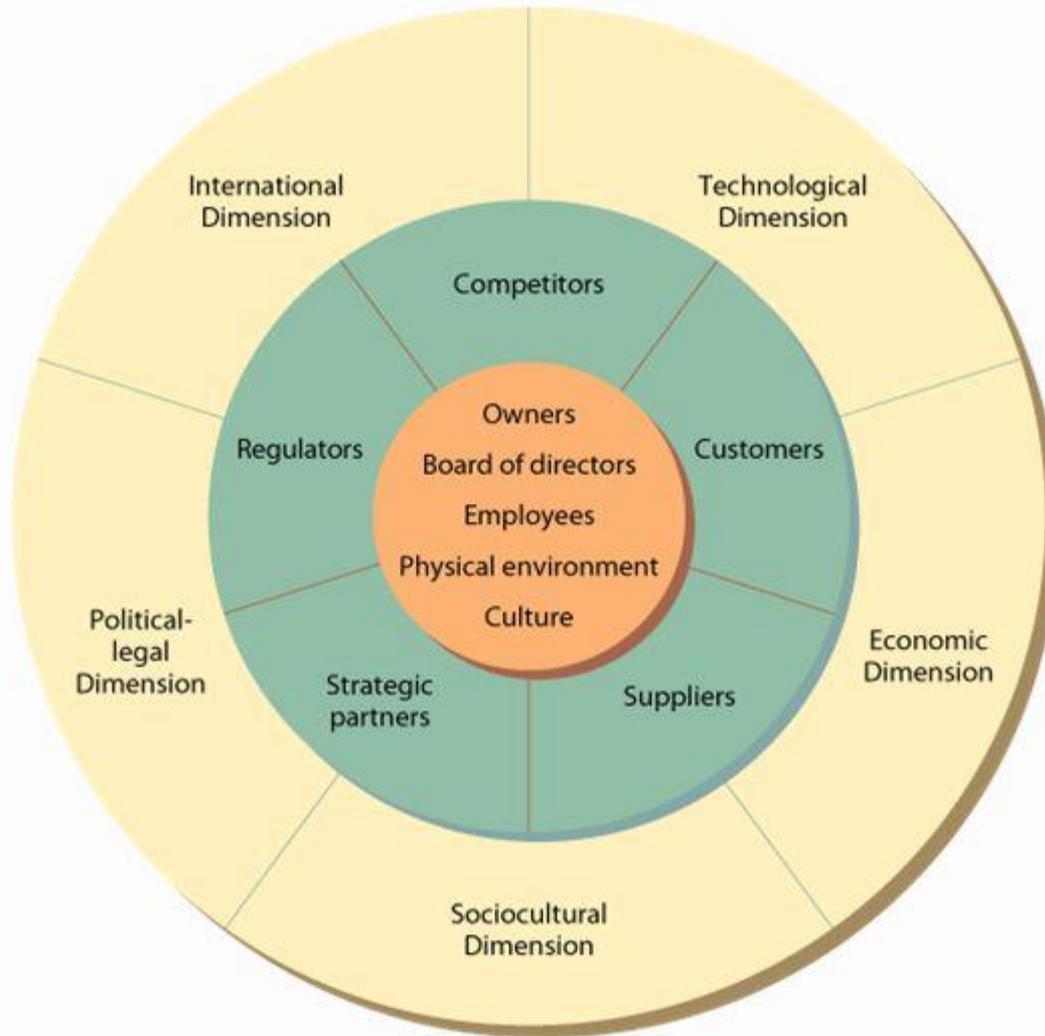
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## Exhibit 1–11 Universal Need for Management

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# The Organization and its Environments



- Internal environment
  - Task environment
  - General environment
- } External environment

# Who Are Managers?

**A manager: Someone who coordinates and oversees the work of other people so that organizational goals can be accomplished.**

- We can assess and study management work through:
  - Management functions
  - Management skills
  - Management roles
  - The management process



# Managers

## Managers:

- Are formally appointed to positions of authority in organizations or systems
  - Enable others to do their direct or support work effectively
  - Have responsibility for resource use
  - Are accountable for work results
- 
- Classification schemes typically identify managers as senior-level, middle-level, and supervisory or first-level managers.

# Organizational Culture

**Organizational culture:** The set of values, beliefs, understandings, and norms that members of an organization share, it is taught to new members as the correct way to perceive, think, and feel. (e.g. manner of dress, layout of offices, ceremonies, slogans, heroes, stories) that all express corporate **values**.

It is the non-verbal, non-physical environment, created by the manager that:

Decides the way employees interact with each other

Brings out the best out of the employees

Promotes healthy competition in the workplace

Gives employees sense of direction at work

# Classifying Managers' Levels in Organizations

## First-line Managers

Individuals who manage the work of non-managerial employees in small work units (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. department directors in hospitals and regional managers).

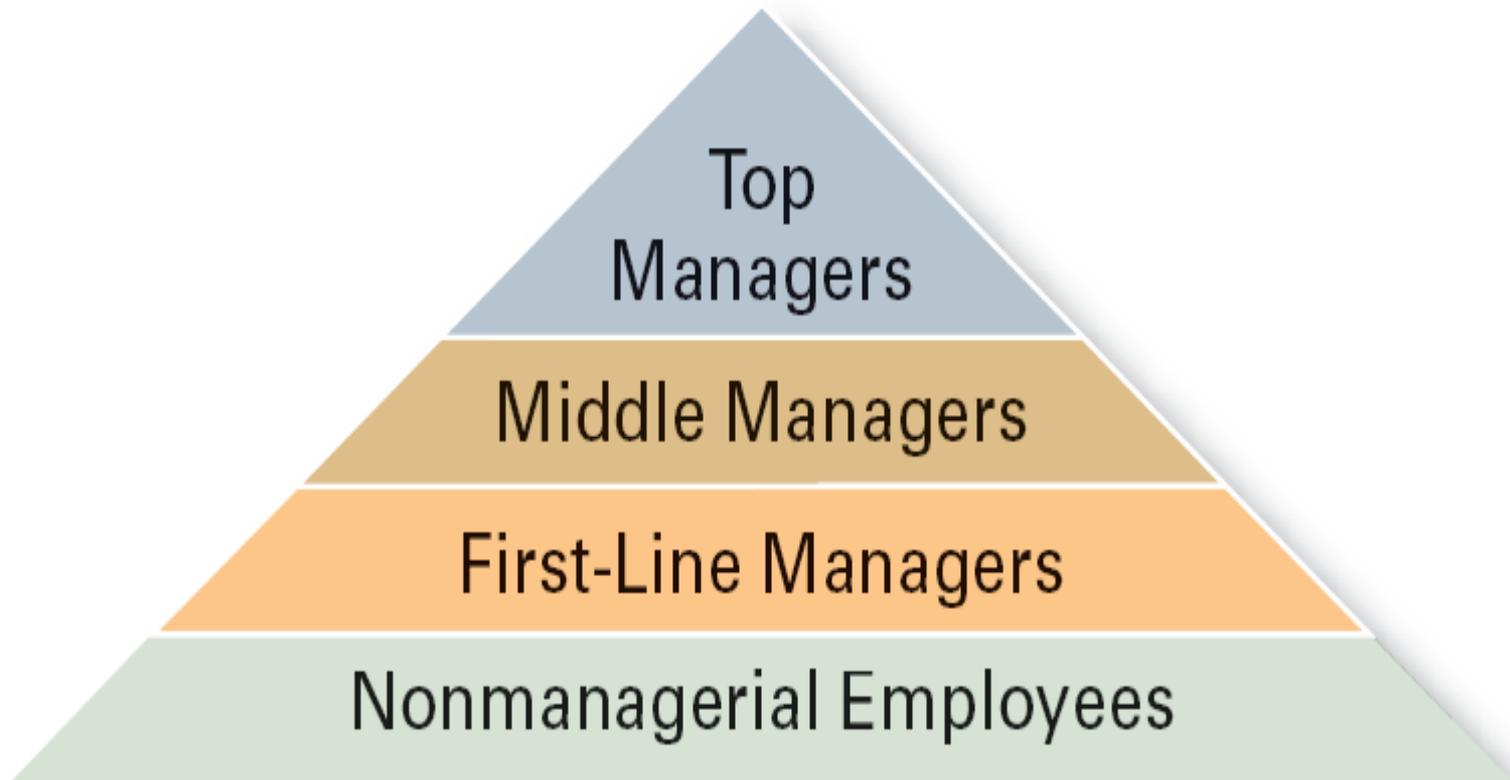
## Top Managers

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

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## Exhibit 1–1 Managerial Levels

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## Exhibit 1–2 Effectiveness and Efficiency in Management

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Efficiency (Means)

Resource  
Usage

Low Waste



Effectiveness (Ends)

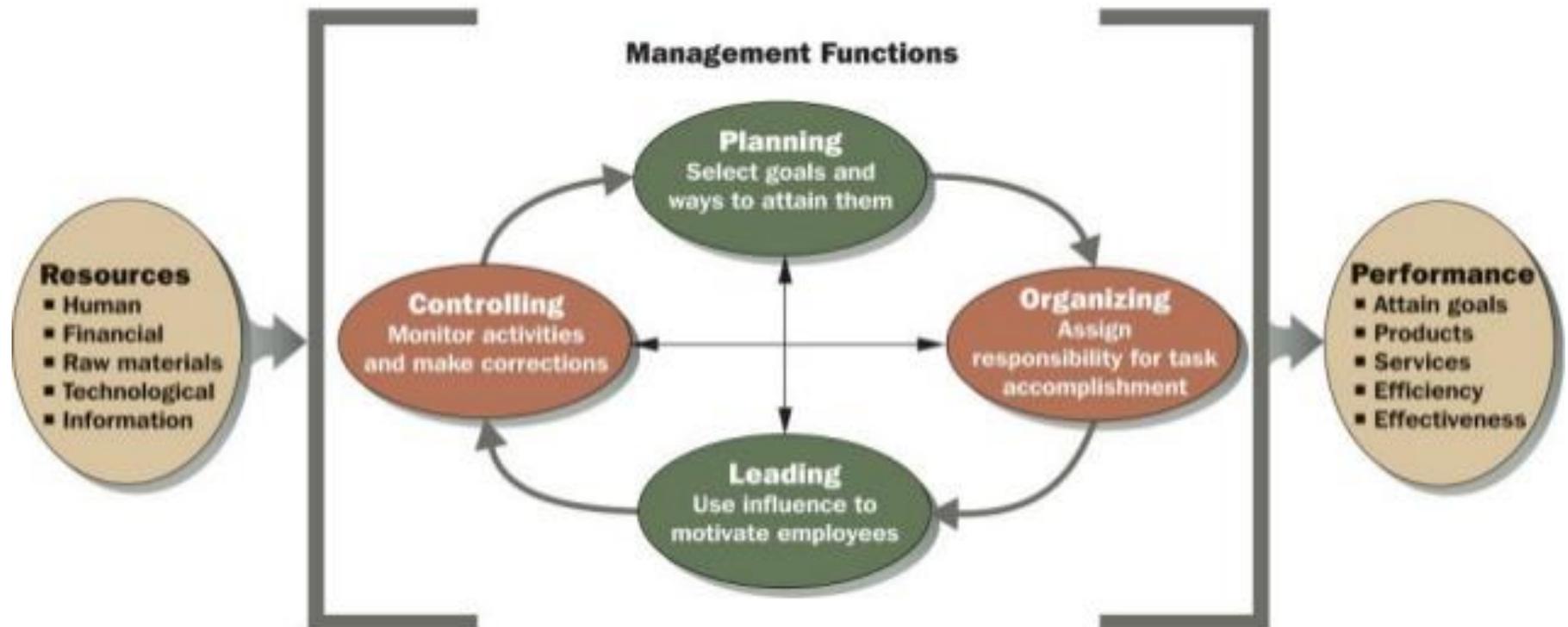
Goal  
Attainment

High Attainment



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

# The Process of Management



# Management Skills

## Conceptual skills

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

## Technical skills

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

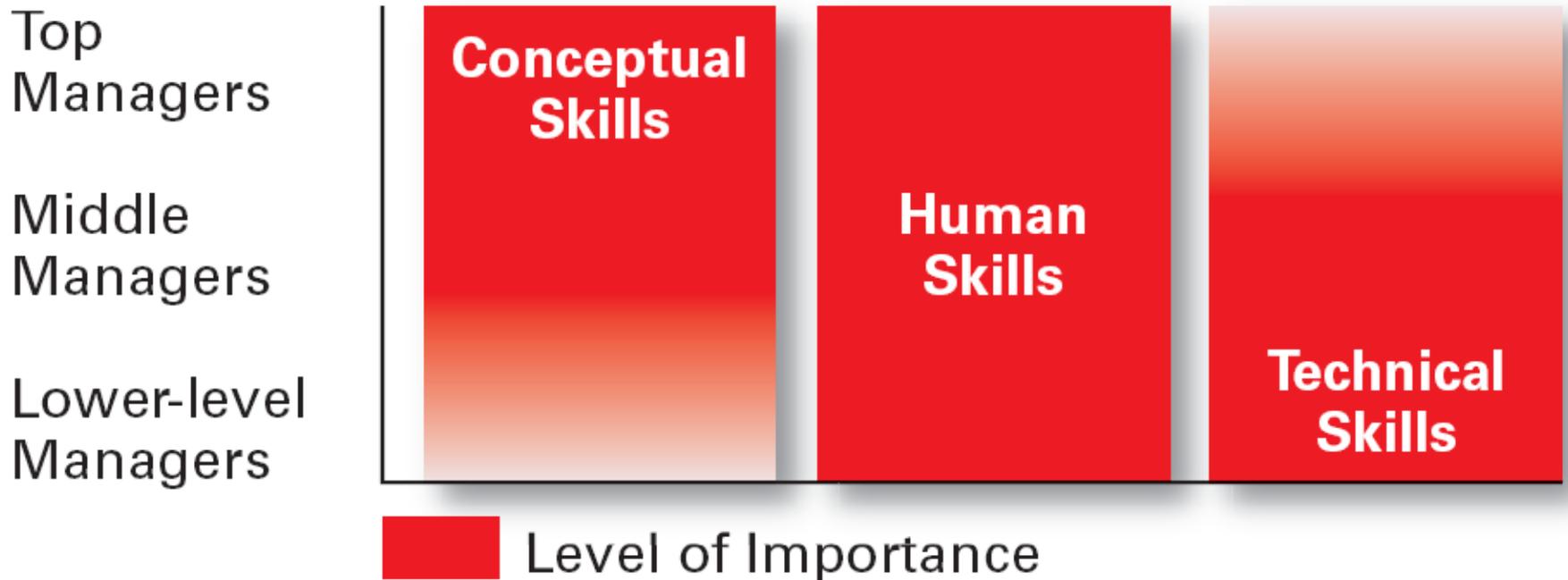
## Human skills

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

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## Exhibit 1–5 Skills Needed at Different Management Levels

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# Management Roles

- Henry Mintzberg concluded that management work can be described meaningfully in terms of three roles that all managers play:
  - Interpersonal Roles — figurehead, leader, and liaison
  - Informational Roles — monitor, disseminator, and spokesperson
  - Decisional Roles — entrepreneur, disturbance handler, resource allocator, and negotiator
- All of Mintzberg's managerial roles are integrated, with the manager practicing a combination of these roles according to their level, responsibilities and work environment

# Management Roles

Category	Role	Activity
<i>Informational</i>	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
<i>Interpersonal</i>	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
<i>Decisional</i>	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 **goals** 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

**Importance of Goals....**

**For Employees, their success is measured and rewarded by their ability to reach goals.**

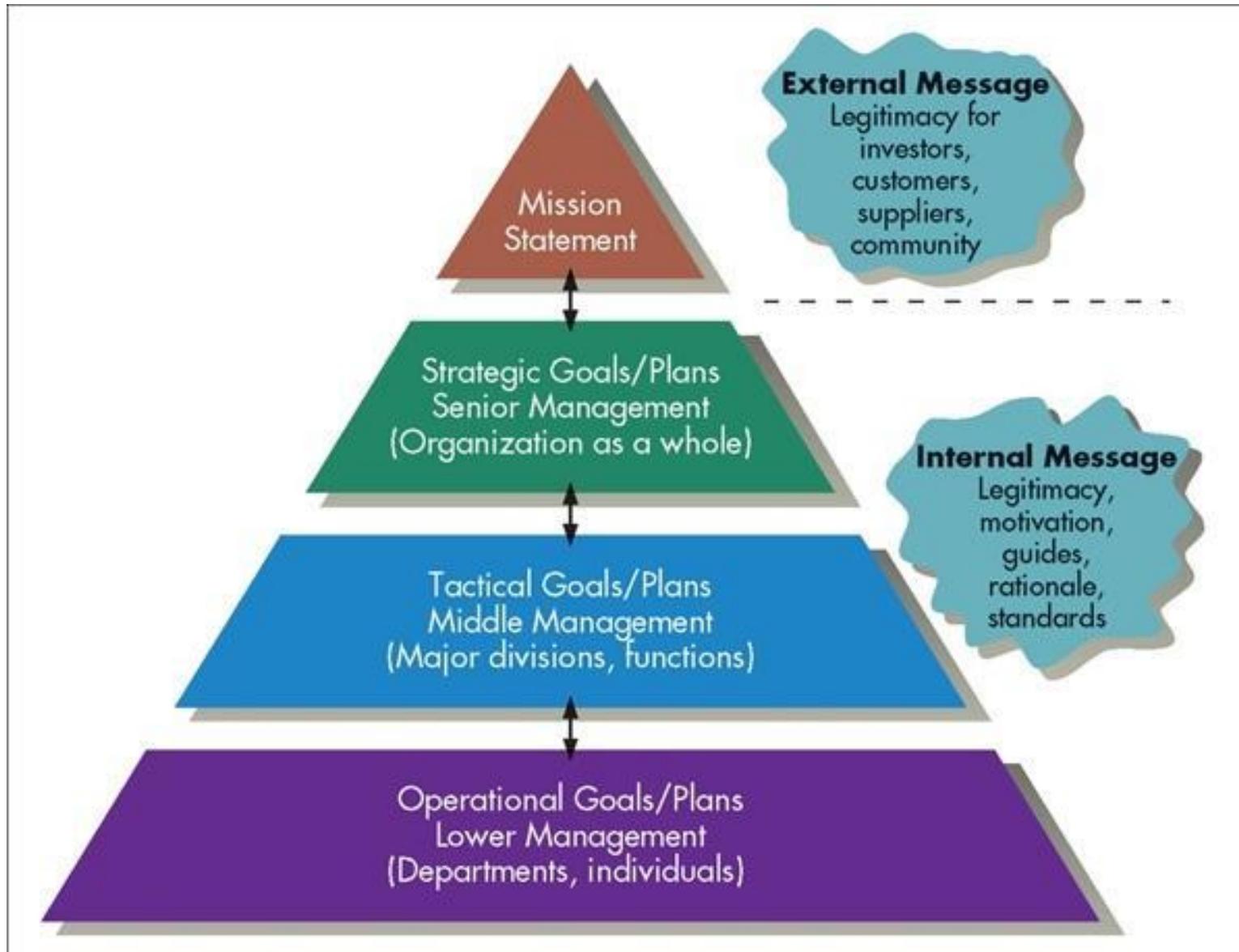
# Planning involves two important aspects:

**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 goals (“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 ....**

- ✓ **To reduce the rate of post-operative infection by 30% by the end of the year.**
- ✓ **To 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 two 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.**

## 2. Organizing

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 (7)

# Departmentalization

The basis on which individuals are grouped into departments

■ Departmentalization, the grouping of work and workers into manageable units or departments.

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

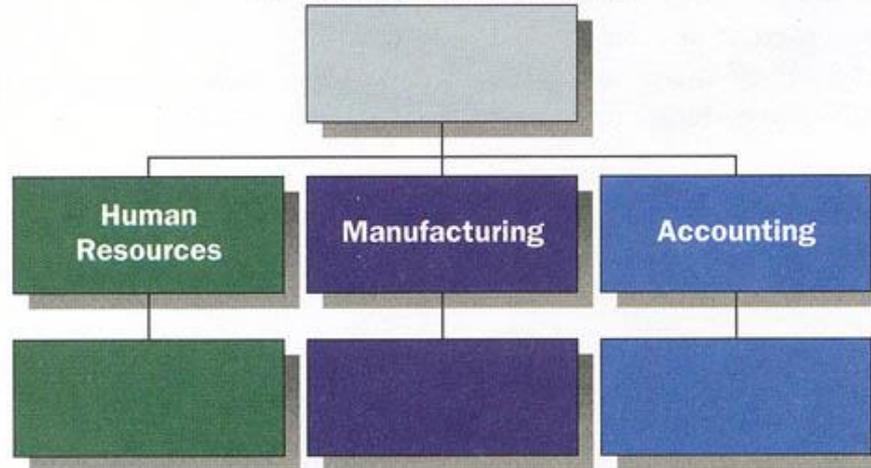
2. **Divisional approach.** Grouped together based on a common product, program, or geographical region.

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

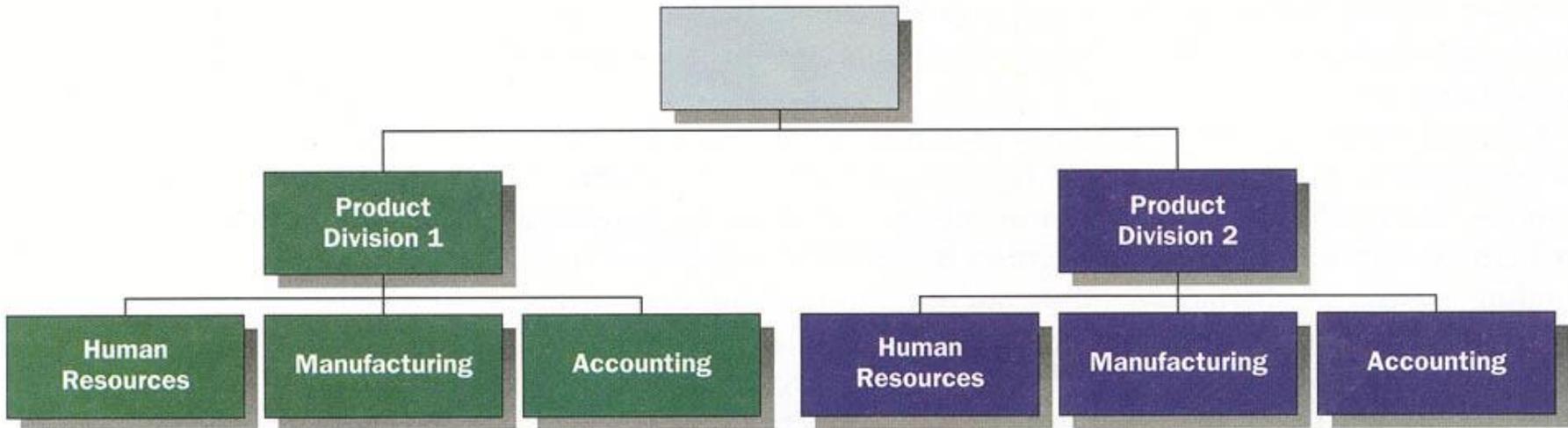
4. **Team-based approach.** Created to accomplish specific tasks

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

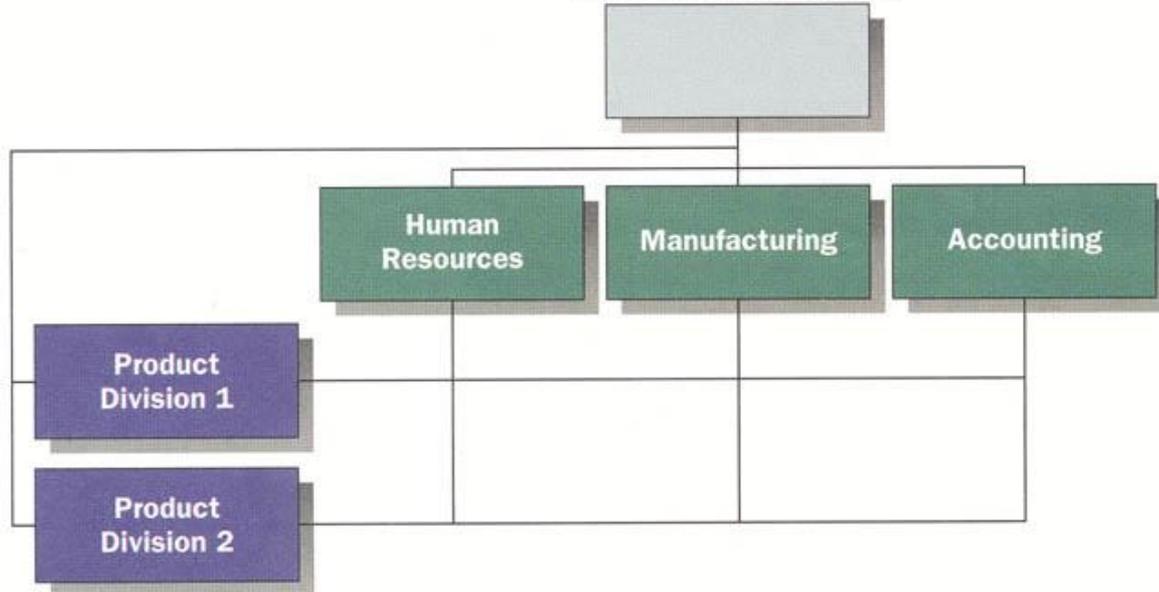
### 1. Vertical Functional



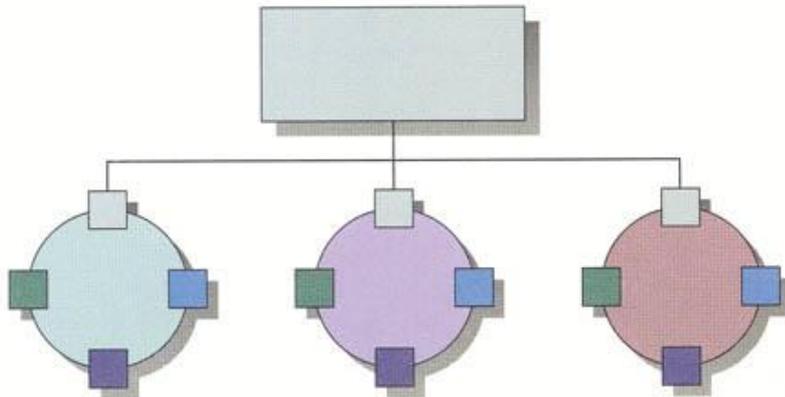
### 2. Divisional



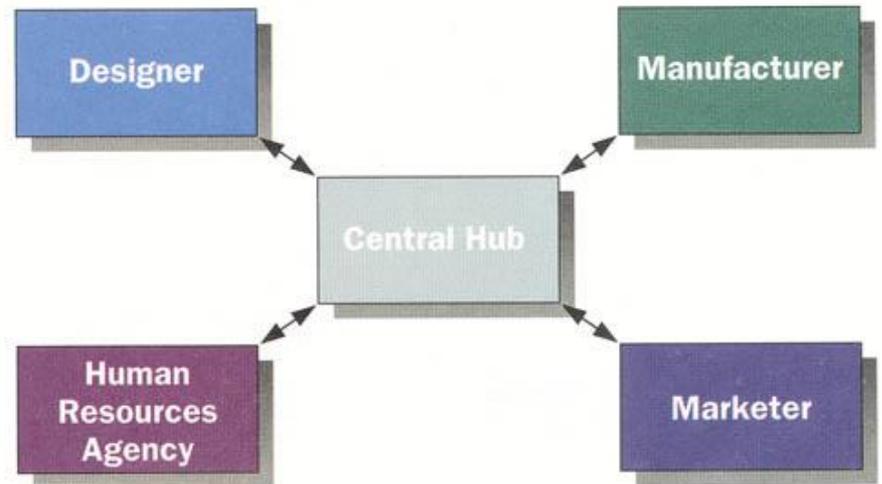
### 3. Horizontal Matrix

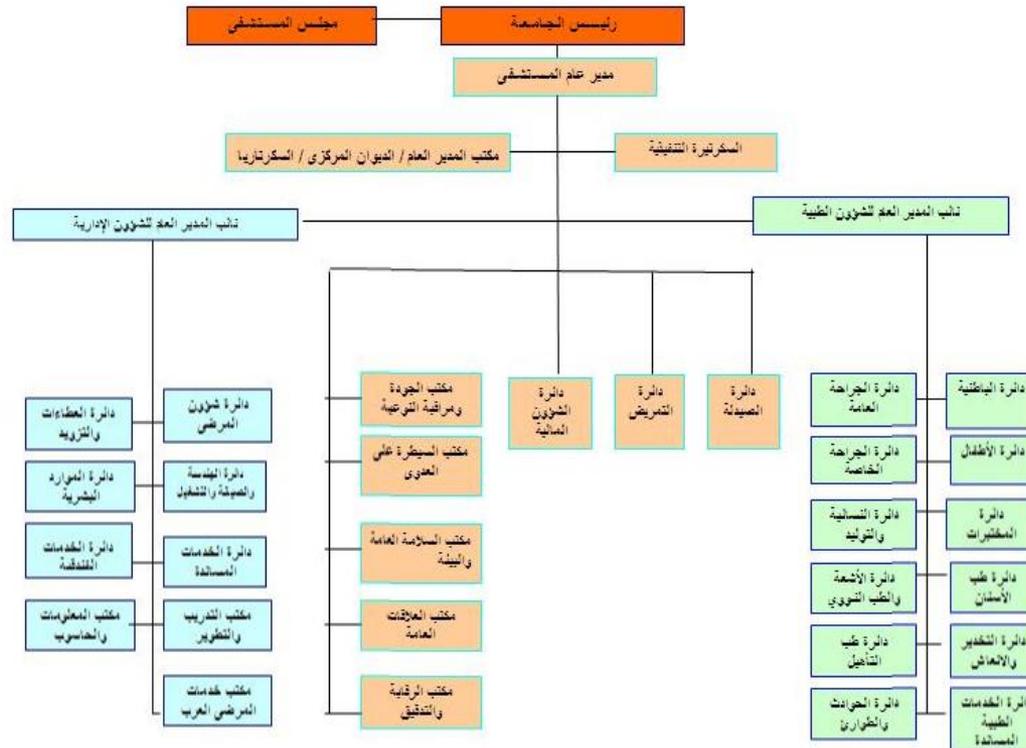


### 4. Team-Based



### 5. Network





# 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 to work hard to accomplish tasks.**
- ❑ **Great leaders, are individuals who are able to bring out the best in other people.**
- ❑ **Effective managers have to be leaders too. There is a leadership role for managers.**

# Importance of Leadership

In leading, managers determine direction, state a clear vision for employees to follow, and help employees understand the role they play in attaining goals.

## 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.

# Leader versus Manager Qualities



SOURCES: Based on "What Is the Difference Between Management and Leadership?" *The Wall Street Journal Online*, <http://guides.wsj.com/management/developing-a-leadership-style/what-is-the-difference-between-management-and-leadership> (accessed June 28, 2009); and Genevieve Capowski, "Anatomy of a Leader: Where Are the Leaders of Tomorrow?" *Management Review* (March 1994): 12.

# Leadership theories

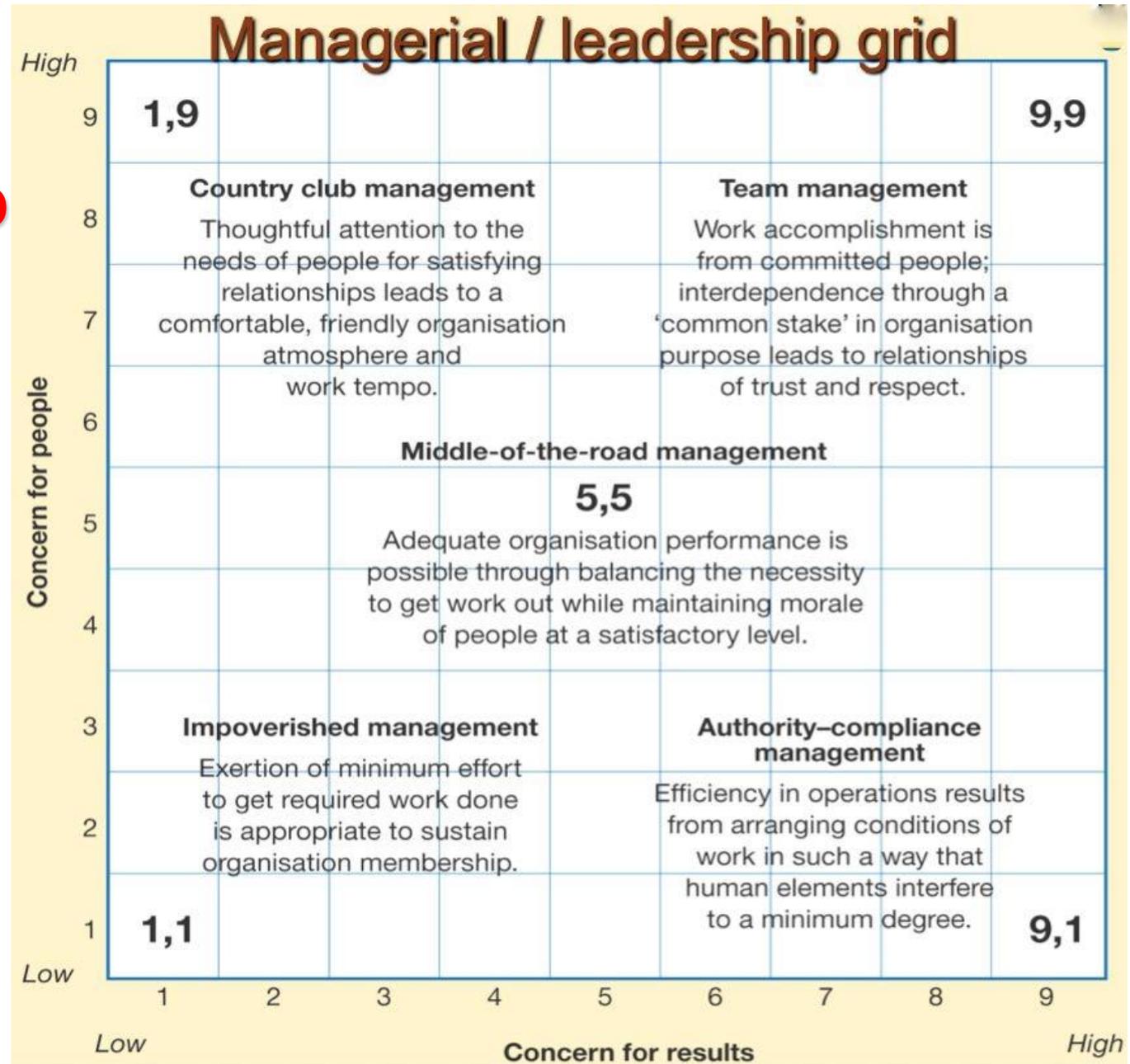
Theories of leadership can be classified into one of three basic approaches:

1. Inherent traits, skills, abilities, or characteristics explain why some people are better leaders
2. Particular behaviors might be associated with successful leaders
3. An integrative approach that focuses on how leaders, followers, and the situations in which they find themselves interact and work

# Leadership Grid

Team Management:  
most effective style,

Impoverished  
management style:  
absence of  
management  
philosophy



# 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.

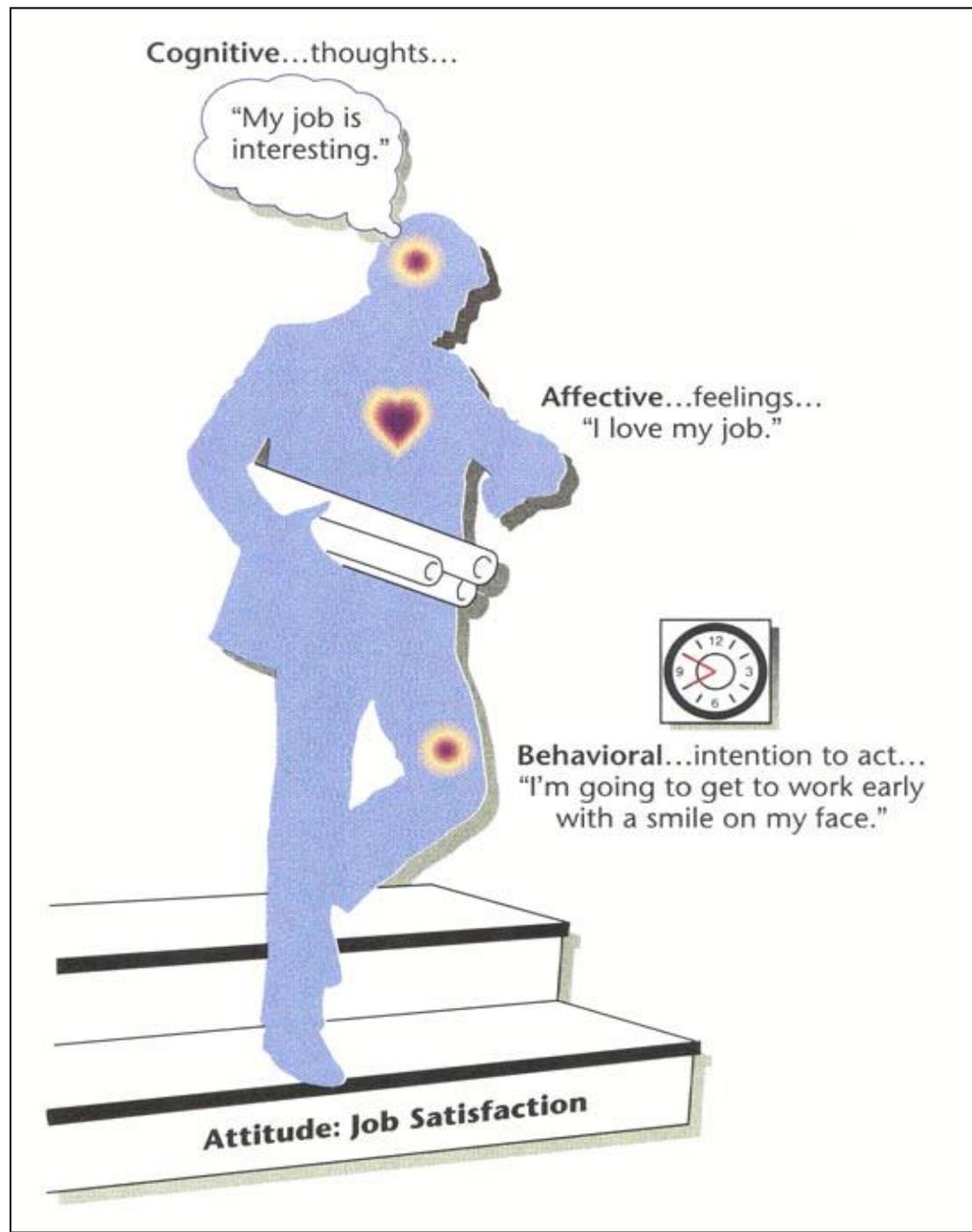
**Organizational Behavior** is the field of science dedicated to the study of human attitudes, behavior, and performance in organizations.

# Important Employee Behaviors

1. Employee Productivity
2. Absenteeism
3. Turnover
4. Job satisfaction



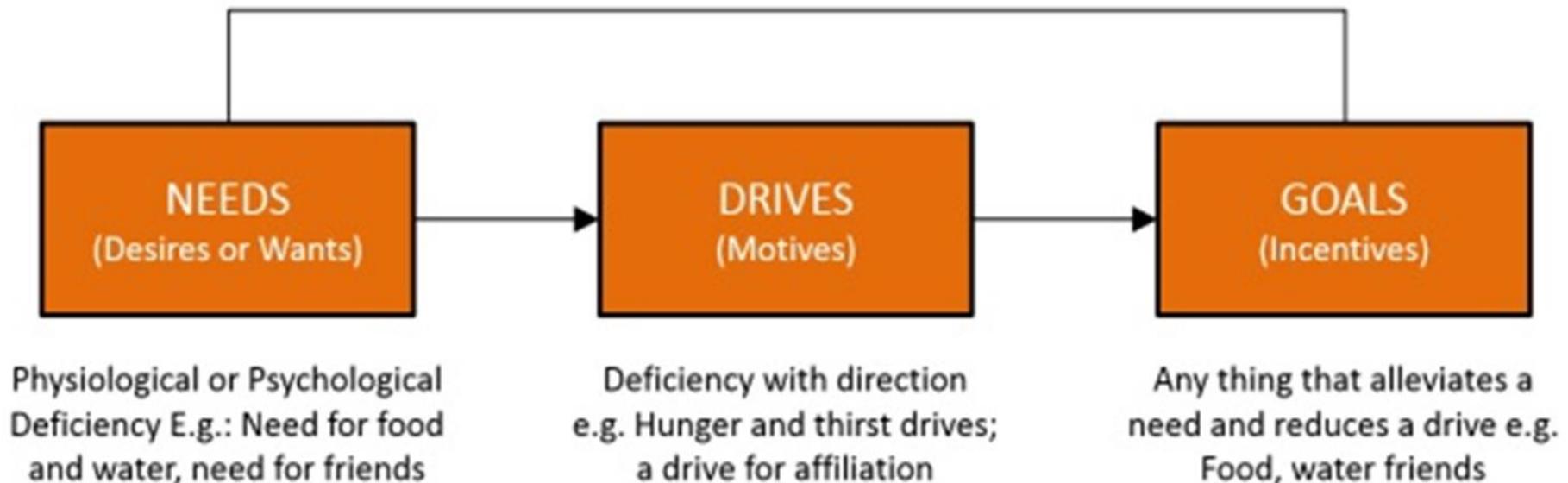
# Job Satisfaction



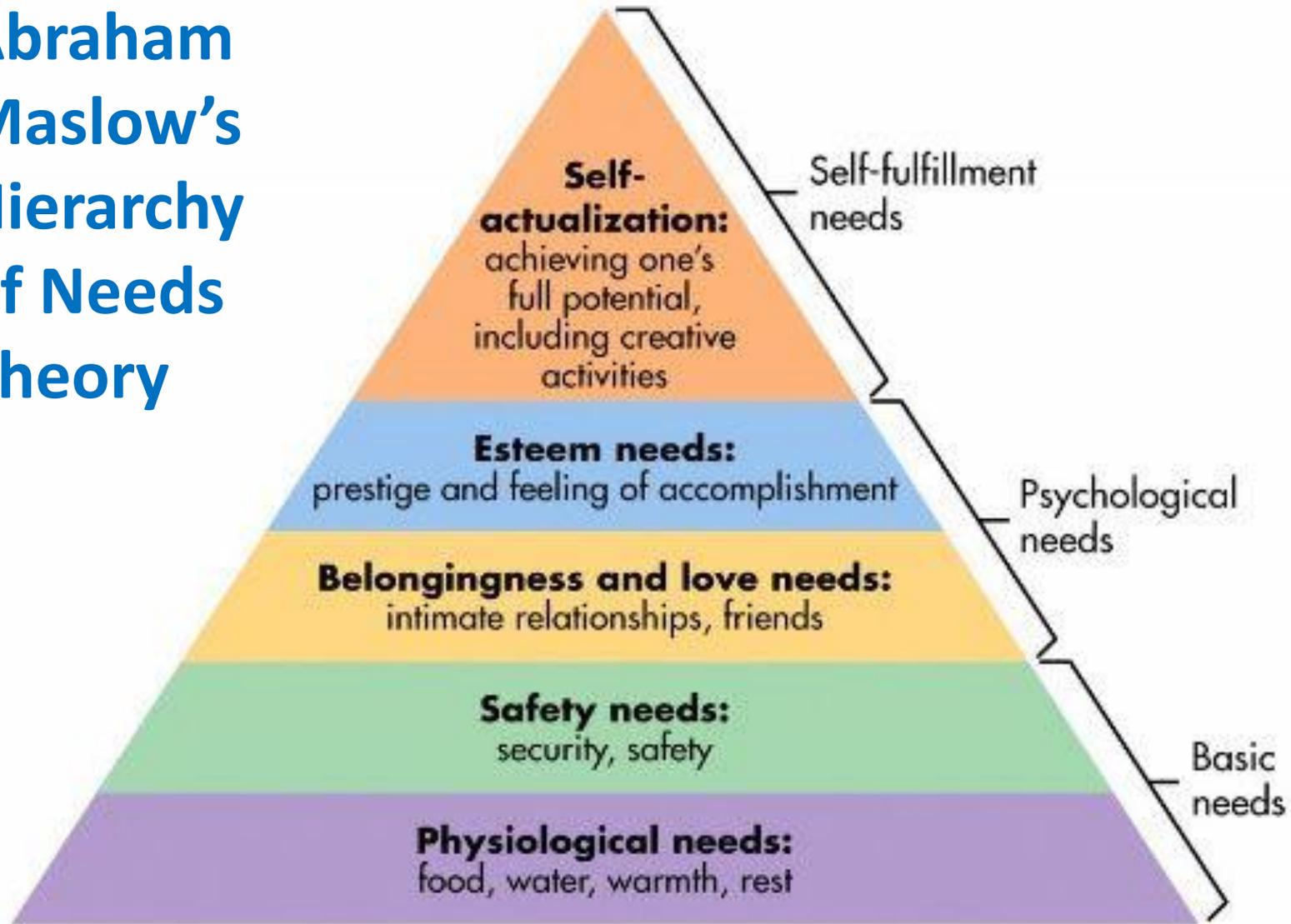
# What Is Motivation?

Motivation refers to the forces within or external to a person that arouse enthusiasm and persistence to pursue a certain course of action.

**An unsatisfied need creates tension which results in an individual's efforts to satisfy the need.**



# Abraham Maslow's Hierarchy of Needs Theory



Human beings are motivated by a hierarchy of unsatisfied needs.

# 4. Controlling

The process of monitoring activities to ensure that 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