I. The Environment of Health

** A very large segment of the ‘environment’ of health is centered around the maintenance of health and the treatment of illness/injury with the goal of returning individuals to as close a state of ideal health as possible.

** Historically, the former was the primary domain of public health and its various sub-disciplines, while the latter was the primary domain of health services organizations/providers such as hospitals, physicians, etc. Increasingly, these two different segments have become more integrated functionally speaking, with Health services organizations taking on more responsibility with respect to health maintenance.

** Semantically speaking, health services constitute the delivery component of the health environment, comprised of the various health services organizations such as hospitals, nursing homes, etc., as well as a variety of different practitioners such as physicians, nurses, etc.

** Health care, on the other hand, constitutes all appropriate societal efforts -- public, private, for-profit, not-for-profit, etc. -- that are collectively and individually intended for the purpose of guaranteeing, providing, financing, and promoting the concept of health. Realistically, health services may then be viewed as a component of the environment of health care.

II. The Management Process in Health Services Organizations (HSO’s)

** Management: the process, composed of a number of inter-related functions and activities, occurring in a formal organizational setting for the purpose of accomplishing pre-determined objectives through the utilization of a variety of organizational resources (human, capital, etc.)

** Levels of Management: (according to organizational hierarchy in a traditional pyramid organization HSO):

** Senior: policy-level management or executive-level management; typically have a high-level of authority and responsibility for achieving organizational mission/goals across the entire organization/large segments of the organization. Most typical examples include CEO, COO, CFO, VP-nursing, etc. Typically are directly responsible to one or more governing bodies (board, physician board(s), shareholders) with respect to achieving organizational mission/goals.
**Middle**: administrative-level or departmental-level management; typically have a moderate level of authority and responsibility for achieving organizational mission/goals, with a high level of authority and responsibility for achieving departmental mission/goals and for ensuring the departmental mission/goals are congruent/consistent with organizational mission/goals. Most typical examples are departmental/functional area/technical area managers such as departmental directors/managers in a hospital or other HSO. Typically are directly responsible to senior-level management in general and technical area senior management in particular (e.g. lab director responsible to VP for Allied Clinical Services, who reports directly to CEO).

**Supervisor**: first-line or front line manager or operations supervisor; typically have a low level of authority/responsibility for achieving organizational mission/goals, a low to moderate level of responsibility for achieving departmental mission/goals, and a high level of responsibility for technical performance in a given area for a specific group of workers. Most typical examples include assistant departmental directors, operations supervisors, lead nurses/charge nurses, etc. Typically are directly responsible to departmental director(s)/middle management in their respective functional areas.

**Most HSO’s have, historically, utilized a traditional pyramid organizational structure with respect to organizational design. Such characterizations with regard to management structure and function will only apply in these types of organizational designs. Newer forms of organizational design, such as pure matrix organizations, will have variations on the above themes, and may completely exclude some or all of the above ‘layers’, in essence regarding all forms of management as essentially equivalent on a project-specific basis.**

**Regardless of level, HSO managers of all kinds share some common characteristics: (1) each is formally appointed to a position of authority with the organizational structure; (2) each is charged with directing and enabling others — subordinates and peers — to do their work effectively; (3) each is responsible to varying degrees for the utilization of resources in the accomplishment of organizational mission/goals; (4) each is accountable to someone/something for results.**
Depending on the type of management function assumed, each manager will also require varying types of management skills in order to fulfill their responsibilities, including (1) technical skills related to their specific field of expertise (most applicable to first-line, least applicable to senior-level); (2) conceptual skills, or the ability to see the 'big picture' by analyzing and comprehending multiple complex issues and understanding their relationship to organizational mission/goals (most applicable to senior, least applicable to front-line); (3) and human relations skills, or the ability/skill in working with persons both within and outside of the organization (applicable to all levels in most cases). (Fig. 1.3, p.15)

** Primary Functions of Management: (1) Planning, (2) Organizing, (3) Directing, (4) Staffing, (5) Controlling, (6) Decision making. Some lists of management functionality include fewer functional areas, some include more. No one list is completely definitive or absolute. The extent to which each level of management is involved with each will depend on the function employed, the perspective under which it is carried out, and the ultimate goal(s) for which it is undertaken.

** Planning: technical management function that allow management to assess the present for the purpose of anticipating the future. Planning may be shorter-term (operational planning) or longer-term (strategic planning). Senior-level management is most involved with those aspects of operational and strategic planning that require external environmental assessment and objective/strategy formulation for the entire organization. Middle and front line management are also involved in both types of planning from a more limited perspective via the development of goals and objectives for their specific functional area that are consistent with and supportive of organizational goals/objectives, as well as implementation of programs and operational designs in support of those goals.

** Organizing: technical function involving the establishment of authority and responsibility within the organizational structure(s), as well as the delineation of the formal organizational structure and reporting relationships (who reports to whom). Specific tasks include division of labor and responsibility, work methods and process, coordination among different units, etc. Senior-level managers are primarily involved with broad aspect of organization for the entire organization such as organizational design issues, departmentation, and coordination. Middle and first-line managers are more involved with developing work methods and processes, division of labor, and reporting/responsibility relationships within their specific functional units.
** Staffing: ** the acquisition and retention of human resources; includes both technical (job analysis, recruitment, performance appraisal, etc.) and social functions (training and development, promotion, discipline). Most technical functions of staffing are the primary responsibility of human resource managers, while most social functions of staffing reside with various other types of manager within the organization.

** Directing:** social-behavioral function of management involved with the initiation of action within the organization through the managers' influence on subordinates and peers. Activities may include motivating, leading and communicating. Other specific activities may include conflict resolution/arbitration, behavior modification, and employee integration activities. The extent of management involvement in each type of activity depends on the type/scope of authority/responsibility that each type of manager has.

** Controlling:** technical management function involved with the monitoring, adjusting, and improving of organizational performance. Includes such activities as setting/establishing performance standards, providing systems/methods by which such performance may be measured/monitored, and implementing procedures for intervening/correcting performance deficiencies if found to exist. Senior manager are responsible for the control of the overall results of the HSO -- quality of care, patient satisfaction, resource utilization, etc. -- while middle and first-line managers are responsible for the control of performance related to their specific functional area. Any process that monitors the inputs, outputs, or processes involved in the conversion of inputs to outputs may be thought of as a control method.

** Decision Making:** technical management function that is integrated into all of the aforementioned management activities. Decision-making is a fundamental task of all managers of whatever type, due to their very position of authority within the organization. The types of decision-making done by various managers depends primarily on their degree of authority/responsibility within the organization.

** The Various Roles of Management:** management-related activities that are not readily classified into one of the "classic" functional areas of management, that are defined as the behaviors or activities associated with a given management position due to its position of authority/status within the HSO:

** Interpersonal:** figureheads (de facto leader for the organization), liaison (Organizational representative to other types of stakeholder organizations), influencer (consistent with provision of organizational leadership).
** *Informational*: monitoring of internal and external sources of information, processing/dissemination of appropriate info, organizational spokesperson.

** *Decisional*: change manager, mediator/arbitrator, resource allocator, conflict negotiator (internal/external).

III. A Management Model for HSO’s (Input-Output-Conversion)

** HSO’s may be described as organizations where inputs (resources) are converted to outputs (accomplishment of goals/objectives) through the use of organizational processes catalyzed by HSO management, subject to the interaction with the HSO’s external environment, including stakeholders. (Fig. 1.6/1.7, pp. 24-25).

** HSO inputs are obtained externally, and HSO outputs are returned back to the external environment.

** Inputs include any/all human and capital resources such as managers, health care professionals, equipment and supplies, etc. as well as different sources of information needed for the processing of inputs such as patient information, budgets, schedules, Third party reimbursement policy, economic data, etc.

** Outputs include the attainment of individual and organizational work results and the accomplishment of organizational objectives, such as providing high quality, cost-effective care. Such goals/objectives are established by managers of various types during the planning process.

** Conversion of inputs to outputs involves the strategic organizational use of structures, tasks/technologies, and people. Managers are typically charged with coordinating the use of these various conversion processes at various levels depending on their scope of authority/responsibility, within the context of the organization’s culture, values, and beliefs, taking into account the needs of a variety of different stakeholders to the HSO.

** The conceptual model is completed through the incorporation of a continuous feedback loop/path where organizational results/performance are continuously reviewed/monitored and changes made where/if needed to further accomplish stated organizational goals.

** The model also incorporates a number of critical interfaces between the HSO and its external environments, including both the macro-environment as well as the healthcare environment. Flows of information, inputs, and outputs to/from the HSO to/from these environments are continuous and require that management (particularly senior level) actively manage these flows so as to optimize the conversion process, input, and output utilization to achieve organizational goals/objectives.