

PREFACE

The healthcare field and the size of healthcare organizations (HCOs) continue to grow. So does the need for excellent management of these HCOs. Fortunately, many students and healthcare professionals aspire to management positions in HCOs. Management education for HCOs will help them succeed.

Having been a healthcare management student, healthcare manager, and healthcare management professor, I appreciate good books that help us learn management and how to apply it to HCOs. I studied management at the undergraduate, graduate, and doctoral levels. I worked in senior management at three hospitals during 14 years as a hospital executive. And for 25 years, I taught undergraduate and graduate courses in healthcare management and related subjects. All that has motivated and enabled me to write this book.

The purpose of this book is to help people learn the body of knowledge we call *management* and then apply it to HCOs. The primary intended audience is undergraduate students who are interested in managing HCOs but have no prior knowledge of the subject. This book will also be useful to students who are majoring in allied health professions and want to understand management of HCOs, and to current supervisors seeking to learn more about management. This book can help healthcare professionals prepare for advancement to management positions.

The content includes timeless fundamental principles as well as new concepts and current information. Both theory and practice are presented, along with terms, concepts, theories, principles, methods, and tools—and how to use them. A recurring theme in the book is that management is contingent and the “right” approach depends on changing factors. Students will learn that management problems are not multiple-choice questions

with a single best answer. The book teaches the principles, theories, methods, and tools so students can assess situations and develop solutions. Students can practice skills using exercises and activities within and at the end of each chapter. Both the content and the writing style strive to engage students, keep them actively interested, provide a few laughs, and help them understand and remember what they read. I have used this approach to successfully teach management of HCOs to undergraduate and graduate students. The publication design further enhances learning by making the material visually appealing and easy to read and understand.

The book has 15 chapters on 15 interrelated subjects needed for management of HCOs. They are connected and organized into a cohesive body of knowledge. By the end of this book, students will understand management and how to apply it to HCOs. (Because this book is about management, it does not include some other disciplines found in healthcare management curricula, such as finance, law, and marketing.)

Each chapter opens with a relevant quote or saying, which is followed by Learning Objectives. Next is Here's What Happened—a real-world example that demonstrates concepts discussed in the chapter. Each Here's What Happened is drawn from the same complex, real-world case study that we follow through the book. In each chapter, headings and subheadings organize content and guide the reader. Key points are **bolded in a different font**. Important terms are defined in the page margins and included in the end-of-book glossary. Exhibits, bullet lists, examples, activities, and exercises in each chapter keep students engaged and learning. There are sidebars and boxes called Check It Out Online; Try It, Apply It; and Using Chapter _ in the Real World. At the end of each chapter are One More Time (a chapter summary), For Your Toolbox, For Discussion, Case Study Questions, Riverbend Orthopedics Mini Case Study with questions, and References. The Riverbend mini case study and questions at the end of each chapter make up a practical hands-on exercise that is new in this edition. In each chapter, this mini case begins with a recurring paragraph (applicable to all chapters), which is followed by brief additional content and questions that are unique and relevant to that one chapter.

At the back of the book are appendices with more resources. The first is the lengthy, real-world management case study of Partners HealthCare (used to create the Here's What Happened in each chapter). The next appendix—Integrative Case Studies—has seven short (one- to two-page) case studies for which there are questions at the end of each chapter. The Real-World Applied Integrative Projects appendix suggests ten real-world applied projects that students can work on during the course using and integrating management tools from multiple chapters. All tools listed at the end of the chapters throughout the book are combined in the Your Management Toolbox appendix. All defined terms from throughout the book are repeated in the glossary, which is followed by an extensive detailed index.

Several features help students understand how chapters (and management methods) are interrelated. The book is arranged in a logical sequence of chapters that continually build on and connect with previous chapters. Chapter by chapter in the Here's What

Happened examples, students follow managers at Partners HealthCare who create and manage telehealth services to improve population health. When students read the example that begins each chapter, they may also look at the entire Partners HealthCare case in the appendix to appreciate how each chapter's opening case is interrelated with other chapters and management topics. Chapters are further interconnected by end-of-chapter case study questions, which all pertain to the same seven cases (three new to this edition) included in the appendix. Students will realize that fully solving a case study (i.e., management problem) requires them to use different kinds of management principles and tools (from different chapters) just like managers do in the real world. Also, when students try to explain how to address a project listed in the Real-World Applied Integrated Projects appendix, they will realize they must combine various tools and methods (from multiple chapters) like in the real world. This learning activity will develop their understanding of how chapters must be used together to solve real-world problems. In addition, the book sometimes states explicitly how specific chapters and concepts work together.

The purpose of each chapter, and the changes to each chapter in this new edition, are described below. This third edition is longer and has more depth, topics, and tools than prior editions. Prior content has been updated.

Chapter 1 provides the context and background for why HCOs exist and why HCO managers are needed. It introduces readers to health, healthcare, healthcare services, HCOs, and healthcare management jobs. This edition has more discussion of population health, with a newer health model and explanation of forces that determine health (emphasizing social determinants of health). The continuum of care is explained in more detail with a new exhibit. The types of healthcare services, types of HCOs, and current trends and developments are updated. The chapter now includes a section on stakeholders. The discussion and lists of healthcare management job titles, careers, specialty areas, and employment trends have been updated.

Chapter 2 teaches what management is and how it evolved as a body of knowledge, theory, and practice beginning more than a century ago. The chapter briefly explains important developments in the history of management theory. From this comes a framework for organizing and connecting the subsequent chapters and content. New in this edition is an explanation of organization development theory. The section on systems theory has been moved here from chapter 4 and expanded. The chapter has additional explanation of some concepts (e.g., authority) and updated examples.

In chapter 3, students learn how managers plan the purpose, goals, and work of their HCOs. The chapter's strategic planning section has been significantly revised and expanded, with new real-world methods, examples, content, and exhibits from a consulting company. Content for planning at lower levels (involving recent graduates in entry jobs) was revised. Tools and techniques for short-term planning are described.

After managers plan as described in chapter 3, they must organize to achieve those plans. We learn about organizing in chapters 4–6. In chapter 4, managers organize work

into jobs and departments. This edition contains an expanded section on job design to explain more about tasks, jobs, delegation, and authority. The chapter includes an expanded description of mechanistic and organic structures and more detail about the informal organization. It explains how current trends (mentioned in chapter 1) are affecting how work is organized. In chapter 5, the text and exhibits describe how managers organize departments into larger organization structures seen in organization charts. Concepts are applied to organizing for clinical integration and the continuum of care. This edition includes a new section on horizontal structure, which is explained and illustrated in an exhibit. This chapter has an expanded section on coordination (previously split between chapters 4 and 5). Explanation of how a medical staff is organized has been updated to reflect current trends. Chapter 6 focuses on how managers organize groups and teams. In this edition, this chapter has revised definitions for *group*, *team*, and *committee*. Characteristics of groups and group membership are explained in more depth. This new edition explains huddles and self-managed work teams. The “Effective Groups and Teams” section now includes a discussion of virtual teams.

After organizing, managers must staff the positions, departments, and organizations. Chapter 7 explains how managers obtain staff. This new edition added two new sections and expanded one existing section to emphasize three special concerns for staffing: (1) staff diversity and inclusion; (2) centralized, decentralized, and outsourced staffing; and (3) laws and regulations that affect staffing. The explanation of hiring, recruiting, and selecting staff was expanded with more information and methods (e.g., realistic job previews) tied to macro trends. Real examples of how HCOs have increased staff diversity were added and the chapter introduces a cultural competency assessment tool. Chapter 8 focuses on how managers retain staff. This edition includes substantial revisions to prior content. It emphasizes developing (rather than training) staff. The performance appraisal section describes the shift from traditional annual appraisals to the newer approach of frequent informal feedback. Compensation and incentives are connected to newer trends in healthcare, and the chapter further explains how pay is determined. There is additional discussion of cultural diversity, including the multigenerational workforce. New information about workplace violence and surveillance was added.

After managers staff the HCO, they must lead, direct, influence, and motivate the staff. This is explained in a trilogy of leadership chapters. Chapter 9 presents leadership theories and models. Compared to the prior edition, it reflects a slight shift from “leadership” to “leading” (i.e., what managers do). This edition has added a section on situational leadership theory and its practical application. The discussion of transformational and servant leadership theories has been expanded, and the chapter touches on authentic leadership and ethical leadership. It also has an important new section on leadership competency models for the twenty-first century. Chapter 10 teaches leading by motivating, influencing, and using power. It explains and applies motivation theories and methods. Exhibits for two theories were updated, and Hackman and Oldham’s job characteristics model has been added for

practical application of Herzberg's motivation theory. The exhibit detailing types of power was revised. This edition presents more discussion of political tactics and explanation of how leaders use hard power and soft power. Chapter 11 explains leading with culture and ethics. New in this edition are espoused (stated) and enacted (actual) organizational cultures. Explanation of organizational socialization is also new, as is nonmaleficence as a fourth ethical principle. Many short examples (to explain exhibits 11.1 and 11.2) were revised to connect with current HCO trends described in chapter 1.

After planning, organizing, staffing, and leading, managers must control performance. Chapter 12 teaches control and performance improvement. This edition provides more information about Six Sigma. It greatly expands the explanation of Lean management with value stream mapping (and an exhibit) along with root cause analysis as a new tool. The topics of high-reliability organization and key performance indicators are both explained. New examples pertain to current priorities in healthcare, such as patient experience, value rather than volume, and patient safety. There is an expanded explanation of where managers obtain the data needed to measure and control performance.

After chapters 2 through 12 explain the five basic management functions (planning, organizing, staffing, leading, and controlling), the book presents three additional chapters that will help students to manage HCOs. Chapter 13 teaches how to make decisions needed to solve problems and resolve conflicts. This edition has updated definitions and expanded sections on intuition and evidence-based decisions. The previous edition's section on data for rational decisions has been expanded to address data for all types of decisions. That section was combined with more explanation of big data and analytics to form a new "Data for Decision Making" section that is applicable to all decision-making approaches. The "Who Makes Decisions" section was simplified. This edition describes the conflict resolution process required by The Joint Commission and presents such a process for HCOs.

Chapter 14 teaches how to manage change in organizations. The chapter has a new section on assessing organizational and individual readiness for change. A new exhibit and explanation of the force field analysis tool is also included. There is more detailed explanation of why and how people resist change. The chapter has a new section on organization learning and development, as well as a detailed example of primary care practices trying to implement change in work processes.

Because all the management work taught in chapters 1–14 should be done with professionalism, Chapter 15 explains professionalism for managers in HCOs. This includes sections on professionalism, emotional intelligence (EI), cultural competence, and communication. A new opening quote starts this chapter with relevant career advice. The new edition provides more context, explanation, and examples for EI, along with advice on how to improve EI for management. The chapter has added explanation of cultural competence and steps to improve it (personally and organizationally). The communication model exhibit was revised to better portray people communicating.

The content of this book contributes to numerous curriculum requirements for Association of University Programs in Health Administration (AUPHA) undergraduate certification. These include organization development, organization behavior, management of HCOs, operations assessment and improvement, management of human resources and professionals, governance, leadership, and strategy formulation and implementation.

Instructor resources for each chapter include PowerPoint slides, suggested answers to discussion questions, and a test bank. For access to these instructor resources, please e-mail hapbooks@ache.org.

When Enrico Fermi (who later won a Nobel Prize in physics) was a student, he once told a professor, “Before I came here I was confused about this subject. Having listened to your lecture I am still confused. But on a higher level.” I hope that after reading this book, you will be less confused and on a higher level about the subject of management for HCOs. Please share with me your feedback about this book. Thank you.

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INSTRUCTOR RESOURCES

This book’s Instructor Resources include PowerPoint slides for each chapter, suggested answers to discussion questions, and a test bank.

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