

Estimate of the Situation

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Managing in the Era of the New Normal: Part II

The traditional management process comprises the following sequential functions:

1. Planning
2. Organizing
3. Directing
4. Controlling

Each function flows logically into the next. The management process is also called the management cycle because each function is repeated in an ordered sequence.

In last week's issue we discussed the difficulties posed by today's still evolving "new normal" for the planning function. In this issue, we'll talk about the organization function. You will see how planning's "new normal" issues flow through and complicate the organization function as well.

Organizing, like planning, takes place at many levels in the hospital. Consider these examples:

- **Corporate organization:** Does the corporate structure support maximum objective attainment? Should all services to be delivered by a single corporate entity or are there alternate forms of organization, including outsourcing, that might do a better job of meeting the plan's quantified clinical quality, service quality, and cost-benefit objectives?
- **Institutional organization:** Are current services organized to make maximum use of physical resources, including human resources, plant, equipment, and technology? Does executive-level management responsibility assignment make span-of-control sense? Are there too many organizational levels? Would some services produce more success in meeting plan objectives if they were provided in a different venue (off campus, for example)?
- **Department organization:** Are departments staffed at times, days, and locations to optimize day-of-week and seasonal work flow patterns? Are shifts arranged around current workload patterns or around employee preferences? Do short feedback loops exist to provide timely performance information to managers?
- **Work force organization:** Does work force structure (job class and part-time/full-time employee mix) make optimum use of human resources? Are tasks assigned to the lowest level where they can reasonably be performed at acceptable levels of clinical and service quality and cost/benefit?
- **Workload organization:** Is all "schedulable" workload actually scheduled? Is it scheduled around patient convenience or employee shift preferences? Are there tasks that are not time-sensitive that could be moved to shifts or times-of-day with less scheduled workload?

Identifying and resolving organizational issues will produce significant organizational effectiveness benefits.

Follow Up on ACA Appellate Court Decisions: This issue is not resolved. There were two conflicting appellate court decisions. The Obama administration will undoubtedly appeal and the issue may ultimately reach the Supreme Court. It is imprudent to guess what courts will decide, no matter how clear the law's language may appear to mere mortals. What is clear is that uncertainty will continue into the future, increasing the need to identify changes in utilization and reimbursement patterns as they occur.



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