

Chapter 2

Management Theories for an Integrated Management Model

Learning Objectives

After completing this chapter, the learner should be able to:

1. Define and describe the universal process approach to management.
2. Define and describe the five traditional management functions.
3. Explain how the operational approach to management applies to HIM professionals.
4. Explain how the behavioral approach to management applies to HIM professionals.
5. Explain how the systems approach to management applies to HIM professionals.
6. Describe how other approaches to management apply to HIM professionals.

Key Terms

Closed systems
Contingency approach
Controlling
Empowerment
External environment
Gantt chart
Human relations approach
Human resources approach
Integrated model of management
Internal environment
Leading
Open system
Operational approach
Organizing
Participative management
Peter Principle
Planning
Process approach
Quantitative approach
Scientific approach
Stakeholder
Systems approach
Universal process approach to management

Lecture Notes

- I. Introduction
 - A. Foundation of scientific management
 - B. Integrated model of management
- II. General management theories
 - A. Paradigm shift
 - B. Universal process approach

1. All organizations are guided by the same general rational management processes
 2. All organizations are not equal
 - C. Henri Fayol's five traditional management functions
 1. Planning
 2. Directing
 3. Organizing
 4. Controlling
 5. Leading
 - D. Henri Fayol's 14 principles of management
 1. Division of work
 2. Authority
 3. Discipline
 4. Unity of command
 5. Unity of direction
 6. Subordination of individual interests to the general interest
 7. Remuneration
 8. Centralization
 9. Scalar chain
 10. Order
 11. Equity
 12. Stability and tenure of personnel
 13. Initiative
 14. Esprit de corps
- III. Scientific approach
- A. Frederick Taylor
 1. Management is a science based on laws and rules and secures maximum prosperity for both employer and employee
 2. Operational approach
 3. Initiative and incentive
 4. Four foci of management
 - a. Develop standardized work processes based on scientific study of each process involved
 - b. Systematically select, train, and develop each employee rather than making them learn processes and tasks on their own
 - c. Provide supervision and guidance for each worker in order to ensure that the processes are completed appropriately
 - d. Divide work equally with managers applying scientific management principles to assist in planning work, while workers perform assigned tasks and are appropriately rewarded
 - B. Frank and Lillian Gilbreth
 1. Reduction of wasted steps to reduce cost
 - C. Henry Gantt
 1. Gantt chart
 2. Minimum wage

- IV. Human resources and human relations approaches
 - A. Human relations
 - 1. Emphasis on shift to concern for employee satisfaction
 - 2. Human systems
 - B. Edward Deming
 - 1. Quality improvement
 - 2. Plan-do-check-act (PDCA) cycle
 - C. Walter Shewart
 - 1. Focus on outcomes
 - D. Peter Drucker
 - 1. Father of modern management
 - 2. Focus on motivation of employees
 - E. Abraham Maslow
 - 1. Hierarchy of five human needs
 - 2. Development of organizations where employees could meet their needs and develop full potential
- V. Quantitative approach
 - A. Application of statistical models, information models, and computer simulations
- VI. Process approach
 - A. Harold Koontz
 - 1. Planning
 - 2. Organizing
 - 3. Leading
 - 4. Controlling
- VII. Systems approach
 - A. Ludwig von Bertalanffy
 - 1. General systems theory
 - 2. Systems of any kind consist of many components that must work in a cooperative manner to accomplish the purpose of the system as a whole
 - B. Closed system
 - C. Open system
 - D. Stakeholder
 - E. Peter Principle
 - 1. Employees will advance to their highest level of competency, and then be promoted to their level of incompetence, where they will remain
- VIII. Contingency management approach
 - A. Participative management
 - B. Internal environment
 - C. External environment
 - D. Empowerment

Teaching Strategies

Traditional and contemporary management theories should be applied to real-world examples from the health care environment.

Answers to Critical Thinking Exercises

1. Choose one major management theory and explain its value by building an integrated model of management.
Responses will be individual.
2. Give four typical stakeholders who offer input to managing a health care organization.
Answers will vary, but may include the following:
 - *Physicians*
 - *Nurses*
 - *Ancillary department employees*
 - *HIM professionals*
 - *Business office*
 - *Quality and performance improvement staff*
 - *Patients*
 - *Community members*
 - *Vendors*
 - *Third-party payers*
3. Explain why health care organizations are considered open systems under the systems approach to management.
Health care systems are dynamic systems that interact with and are influenced by their environment.
4. How does a participative management style fit into the contingency approach to management?
Managers must be able to make appropriate decisions for circumstances demanding immediate answers with no time to ask for employee participation in the decision-making process to solve a problem.
5. Discuss the role mentors can play in teaching both management theory and practice.
Mentors can share their real-world experiences and apply them to the different management theories.

Answers to Application of Theory Exercises

1. Compare and contrast the management theories presented in this chapter.
Learners may provide brief summaries of the similarities and differences noted between each of the theories as they are presented in the chapter.
2. Interview an HIM professional to find out examples of situations encountered in the workplace, along with a management style most effective for each.
Answers will vary based on professional interview responses.
3. Develop a Gantt chart for planning steps involved in writing a research paper.
Answers will vary based on steps followed by individual learners.

Suggested Responses to Case Study

You are new to the position of vice president of HIM for a large chain of health care facilities. As you have assessed the current situations in the HIM departments at each facility, you have met with the HIM directors, all of whom do not believe that AHIMA Vision 2016 presents realistic goals for any of their employees because they feel their employees have reached their greatest potential and believe that they will not be successful if they try to pursue any kind of additional training or promotion. Describe how you would address this situation.

Answers will vary since this may involve some creativity. One approach may be to break down Vision 2016 and provide practical applications.