Organizing for Care

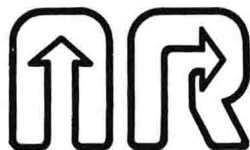## Nursing Units and Groups

Edited by Elsie Schmied

NMA

Theme 1: The Organization: People and Structures

Organizing for Care
Nursing Units and Groups

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Nursing Management Anthologies
Theme One: The Organization: People and Structures

Foreword

As a nurse administrator or manager, have you often wished you could turn to your bookcase and select just the right book for the problem at hand? Or that you could talk with another nurse administrator who has faced a similar situation? Your time is limited, your problem is volatile, and the pressure merciless. Yet your bookcase contains no substantive reference source on current theories, thinking, or management methods.

Or if you are aspiring to become a nurse administrator or manager, do you wonder what you should read as part of your career development program? You may have scanned some management textbooks, only to find that, of necessity, they touch upon each subject briefly, leaving many questions unanswered and do not develop topics to any great depth.

If you are already a nursing manager or administrator or are planning to become a part of this challenging and important part of the nursing profession, you probably have discovered this problem; although there is a profusion of management applications available in the literature, they are scattered in a number of areas. And if you happen to stumble upon the application you need, it is not easy to relate it to a conceptual framework or to an overall philosophy of management. Thus you are left with a potpourri of articles and books that are as likely to be confusing as they are to be helpful.

Nursing Management Anthologies are designed to solve this problem by placing at your fingers a wealth of management information. Each book in the series focuses on one management topic; each is an anthology—a collection of the best selections from the literature— about a specific topic. The selections are chosen by

talented people, usually nurses, who are experts in a particular field of management. These editors have generously added their own wisdom, opinions, and nursing examples to the management literature, producing not just a compendium of articles, but a logical conceptual flow of current thought by the most respected experts on that subject.

The selections in each book are chosen to provide a specific progression of concepts, and each book, in turn, contributes to the overall conceptual framework of the series. Each article in each book is an integral part of a set of beliefs, goals, and content.

This series of books on nursing management is based on several premises. The interrelated components of this belief system illustrate the dynamics of the world of nursing administration and can be seen as a conceptual framework that ties each theme and each book into an understandable whole. The five major components, or themes, are:

1. The organization, its people, and its structures
2. Management functions
3. Products, services, and cost effectiveness
4. Employee growth and satisfaction
5. Organizational security and longevity

This book is part of Theme 1: The Organization, Its People, and Its Structures. Elsie Schmied, the editor, has collected the finest literature on the subject of organizational structures and their units and groups. She interweaves her own wisdom, and poses questions to assist nursing administrators with the challenging task of organizing a nursing service that works efficiently and smoothly, while balancing the human, technological and financial needs of today's health care systems.

Marlene G. Mayers, R.N., M.S., F.A.A.N.
Series Editor

Preface

In Exodus (18:13–27) we are told that Moses was so overburdened trying to handle all the minutia for his flock that he was unable to concentrate properly on the larger problems they had. Jethro showed him how to organize, and how to delegate authority and responsibility, by using the hierarchical pyramid with which we are all familiar. The classical model detailed in Exodus thousands of years ago is still used by the military and most other organizations today.

Until this generation, almost all hospitals and nursing departments have faithfully followed that classical organization model. The problems arising from the use of the hierarchy have less to do with the model than with the attitudes of the people we employ in today's health care organizations. One of the aspects that must influence our decision of how to organize is the preponderance of personnel working in the organization who are professionals.

Professionals tend to be somewhat independent and wish to be permitted to use their professional judgment unimpeded by rigid policies and procedures. In a nutshell, they say "Do what you must to provide me with an environment conducive to my practice and then let me practice my profession; don't bother me."

Now, in addition, the members of the "Me Generation" tell administrators that they want more freedom on and off the job: freedom to experiment with modes of delivering care, freedom to control their hours of work, freedom to dress as they please, and freedom to have a voice in how the organization is run.

The delicate task of the nursing administrator involves balancing these cries for freedom from employees with the needs of the

patients, the physicians, the organization, and the outside forces such as insurance carriers and regulatory agencies. And it all must be accomplished within the constraints of the department's resources.

The role of the chief nurse is to manage the department effectively. Management entails planning, organizing, coordinating, and evaluating the work. How the department is organized and coordinated is basic to the delivery of care to the patients. The work of committees is largely that of evaluating how well the work is being done. They must answer the following questions: Do the policies and procedures permit one to deliver care appropriately? Are the equipment and supplies used suitable and cost-effective? What level of care is actually being delivered?

In this book, various methods of organizing for patient care are discussed. The emphasis is not on the theoretical approach, but rather, on the practical. Our resources are largely the experiences of other managers who have struggled with these problems. You may be able to consider and adapt some of their thoughts and solutions. Our environment is continually changing. What works for us today may no longer work tomorrow. This book is written for those who recognize this.

There is some evidence that the behavior in health services organizations may not be based on classical organizational theory. The primary motive for a hospital is service, not profit; goals are less clear and explicit than those in industry or business. The outputs (states of health) are relatively unclear, whereas the output in industry (number of products) is visible and tangible. Even how we judge the two types of organizations differs: we judge health care organizations primarily by quality; industry is judged by quantity. These and other comparisons have led researchers to believe that the behavior theories applied to industry cannot be transposed into the hospital without major revision.

In "Units and Groups" you will see examples of how others have experimented with nontraditional management techniques that they have found useful, as well as some of the traditional methods.

Dedicated to my parents
Oscar and Anna Friedrich

Contents

Introduction

Dr. Schaefer's article on educational administration addresses the problem we shall explore in this book, namely, how should we structure our nursing department so our patients can receive appropriate care? While the focus of the book is on the nursing service department, the situations and possible solutions are similar to those of a nursing education department. Nursing service departments are probably more complex organizations, but the decision of whether to organize by function, by program, or a combination of both remains. Organizational Theories & Structures, *Book I in Theme II of this management series develops in detail, the various organizational theories; this article provides a bridge to examining exactly how people do organize and why.*

HOW SHOULD WE ORGANIZE

By Marguerite J. Schaefer

How to organize is the oldest and most studied aspect of administration. Possibly, this is true because all administrators, regardless of the kind of institution they head, must decide who does what work, determine what number and type of organizational units to establish, and how to link the units that need to collaborate. Despite the administrative importance of the task of organizing, newer approaches to this task are either unknown to the administrator or not utilized. Evidence of this state of affairs is widespread in most of our service institutions. One finds that many administrators create structures on the basis of tradition, another administrator's working concept, or on an idea that is currently hot in the literature. Thus, deans of schools of nursing change organizational structures without rationalization and directors of nursing have difficulty incorporating clinical specialists into structures designed for a different era.

How Should We Organize?

A prerequisite to rationalization of organizational structure is an understanding that decisions about mission, goals, and objectives are basic to decisions about structure. Structure is the means by which organizational goals are achieved: it is not an end in itself. It is therefore unreasonable to structure in isolation from goals, and equally unreasonable to structure on the basis of goals of another institution or those of a bygone era. Structure requires a division of labor in order to produce results. If one has not thought through the results one hopes to attain, rational decisions about structure cannot be reached.

The first step in the process of designing a structure is to determine the key activities upon which successful goal achievement depends. In a single-purpose institution such as a school that conducts one education program, key activities may be more obvious than in a multi-purpose institution with several education programs as well as research and patient care activities. In any case, such analysis should precede decisions about structure.

In view of the relation of goals to structure, it should be obvious that there is no single "best" way to organize. Traditional organization theory held that the scalar principle, leading to a hierarchy of superiors and subordinates, applied to all organizations. Later, a free form of organization that emphasized interpersonal relations and informal work groups was advocated as a universal. We now know that the only "best" way to structure an organization is to create a design that enables

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people to do their work and to contribute to organizational goals. No one knows how to construct an ideal organization. Good structures do not guarantee performance; however, poor structures lead to poor organizational performance and to internal difficulties, including frustration and employee apathy.

Given the fact that a cookbook approach to organizing leads to numerous organizational and administrative difficulties, what guidelines exist to aid administrators in structuring their organizations? It may be helpful to examine the costs and benefits associated with the primary ways in which institutions are organized today and to take a look at several important concepts from the field of organization theory.

Three Ways to Organize

Basically, there are only three ways to structure an organization: by function, by program or project, or by some mixture of the two. Choice of structure depends upon the results one hopes to achieve and the trade-offs one is willing to make.

Organization by function can be observed in those institutions that are organized by department or on the basis of specialized knowledge or skills. Thus, we have departments in the hospital such as Food Service and Respiratory Therapy. Within the nursing department, we might have a separate section for the care of eye patients or for those with neurological disorders. Weaknesses inherent in this type of structure are readily apparent to any who have worked within it; departmental goals become more important to department members than organizational goals, coordination problems among departments are ever present, and staff members rarely have information about or a view of the whole to which they can relate. From an administrative point of view, one finds rigidity and res-

istance to innovation; difficulty in decision making, which leads to increased decision making at the top—with its attendant problems; and no way to develop management expertise within the organization. Functional organization tends to make individuals unfit for administrative work. Organization by specialized field of knowledge can make for narrowness of vision and development of loyalties that may be inappropriate in an administrative position.

On the other hand, functional organization supports in-depth knowledge and skill development, has high stability, promotes task clarity, and is economical in terms of freeing specialists from administrative work. A functional structure works very well in the kind of setting for which it was designed. Application of this model to *parts* of an organization, particularly those in which innovation is not important and where technology is neither advanced nor undergoing rapid change, is still recommended.

Organization by use of project design produces organizational units composed of individuals whose various knowledges and skills are brought to bear on a specific task. The last article in this book provides a detailed example of such a product design. Teams or task forces, as they are sometimes called, are frequently utilized to work on ad hoc assignments. Within the context of this article, program design is referred to as a more permanent structure designed for the same reasons that temporary teams are set up. In contrast to functional organization, program organization pulls a variety of specialists from varying fields together to focus on a single result or task. The outstanding strength of this design lies in the fact that there is no need to cross functional lines in order to accomplish a task. As a result, project structures are suited to more rapid change, have greater innovative potential, and cause specialists to focus on a common goal. The major weakness asso-

ciated with program structure is a deterioration of in-depth knowledge and skills over time. Indeed, it may be difficult to recruit specialists, since they may know the importance of continuing knowledge and skill development in their own fields.

There is no reason to doubt that the program structure works well where large numbers are involved, because smaller groups or teams must be formed in order to accomplish specific tasks. Coordination difficulties then begin to approach those of functional structures. The cost associated with loss of professional expertise added to the inevitable coordination problem seems a high price to pay.

Matrix structures, relative newcomers, evolved out of the needs of aerospace industries to maintain the competencies of their specialists while producing highly complex products requiring project teams. Matrix structures represent an attempt to overcome the major weaknesses of functional and project structures while capitalizing on their strengths. In a pure form matrix-structure each individual in the organizaton has a home in a functional department and another home in a program. In most organizations, a modified matrix (mixed model) structure is used; that is, some employees are attached to a department only and have no program or project responsibility.

Matrix structures have the enormous advantage of providing a means by which individuals can be focused upon a specific project and still maintain their professional expertise. The major disadvantages stem from a need for sophisticated management skills (especially in conflict management) and the need of each employee to relate to two bosses. Thus, most organizations find that matrix structure is more costly than other structures in terms of time, ambiguity, and employee orientation to the alien situation of having two bosses. Arguments in favor of matrix structures include increased opportunity for innovation, flexibility to move in and out of projects as opportunities arise or resources shrink, and the career possibilities it offers employees.

Differentiation and Integration

Some of the most helpful notions available today stem from the research of Paul R. Lawrence and Jay W. Lorsch as reported in their book, *Organization and Environment*. Although their work was conducted in industrial settings, there is growing evidence that their approach to organizing and managing institutions can be applied in nonindustrial settings. The major theme of their work concerns the organizational dilemma of differentiation and integration.

As organizations grow in size and complexity, they differentiate into parts. Differentiation usually occurs when management of all the varying tasks exceeds the ability of any one individual. Classical management theory suggests that the best way to differentiate is to group together persons with like tasks and to appoint individuals to administer the resulting units. This type of structure, which is known as "functional," exists throughout the academic and health service world in the form of departments composed of individuals who teach the same content area or who provide similar services. As most of us know from experience, members of each department become enmeshed in their own work. They develop their own departmental goals, working styles, and cognitive processes. Consequently, departments not only differ in terms of knowledge and skills, but also exhibit differences in attitudes and behavior as well. This development is defined as *differentiation.* When hospitals become very large (over 500 beds), it may be necessary to develop sub-departments such as Medical Nursing, Surgical Nursing, Psychiatric Nursing, etc., each headed by a Director of Nursing. This segmentation makes it possible for each sub-

department to concentrate upon the needs of the staff which result from specialization. These needs not only include continuing education, but also the day-to-day needs such as a different worksheet or admission kit for the patients because of their particular requirements. In a small hospital this action would probably not be cost-effective; in a large one, it could be.

Lawrence and Lorsch found that successful organizations (high performers) were those that had organizational arrangements supportive of appropriate differentiation. By appropriate differentiation is meant the division of work in such a manner as to permit personnel to deal effectively with the conditions existing in their environments.

Faculty members who have remained in a school during a period of growth and have witnessed a transformation from a small institution to a large one often long for the days "when we were one happy family." It is true that small institutions have little need to segment work into smaller specialized units. Segmentation resulting in differentiation comes with increasing size and the need to cope with a complex environment. Increasing size dictates a division of work due to administrative needs; increasing complexity dictates a division of work due to the need for specialization. In turn, each specialty copes with some portion of the total environment, or sub-environment, as it is referred to in organization literature.

The notion that organizations should be arranged and administered in a fashion that supports differences is alien to many administrators. In the recent past stress on communication, cooperation, and coordination has contributed to the feeling that differences are to be avoided wherever possible. Admittedly, administration is easier when everyone in the organization conforms to a common mold. The tendency is strong to administer each unit similarly even when differentiation is a neces-sity deriving from problems of physical distance between units and differences in task requirements. In this context, similar administration means expectations of similar goals, application of similar rules and procedures, similarity in reward systems and in organizational structure. Yet, Lawrence and Lorsch found that effectively performing organizations were those organized and administered in a fashion that fitted the task and environment of each part of the organization.

Differences are of major concern to an administrator, since conflict inevitably surfaces when collaboration among departments is required in order to achieve school or service-wide goals. The quality of this collaborative effort is defined by Lawrence and Lorsch as *integration*. Clearly, the higher the degree of differentiation, the higher the requirement for integration.

Integration in the Lawrence and Lorsch sense requires discrimination on the part of administrators. Requiring collaboration for its own sake is just as large an error in designing structures as is the failure to recognize the need for appropriate differentiation. Integration requirements can be identified by examining the points in the organization where resources are shared, where joint decision making is necessary, and where it is vital that groups avoid working at cross purposes. At these points one needs to structure for integration. There are a number of ways to structure for and manage integration. Structurally, it can be accomplished through the managerial hierarchy, providing that individuals in administrative positions are skilled in conflict resolution. The use of integrating committees is a helpful device. Individuals whose job is to integrate (integrators) can be placed at strategic points to aid departments that need to work together. The most important aspect of organizing is to plan for integration and to build in mechanisms that help ensure that integration occurs.

The dilemma facing every administrator is to create an organization that retains necessary degrees of differentiation while attaining required integration. Division of work by function favors differentiation while program structures favor integration. If differentiation is required to meet the goals of the organization and a functional structure seems to be the answer, the difficulties of integration can be overcome in large part by planning a structure that takes integration into consideration. Additionally, administrators can provide help to key administrative people so that their conflict management skills can be improved.