

# Management in Healthcare

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# Foreword

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You can't teach people.  
You can only help them discover that themselves.

*(Galileo Galilee)*

This book is intended to help readers increase their knowledge of healthcare management and to seek answers to the many outstanding issues and dilemmas which healthcare practice poses to them. Healthcare management is still being developed in the health professions. In this sense, this book can be very useful for anyone who would like to improve their management skills.

The book is designed for students, health workers who care for patients, nursing officers, intending supervisors, managers, teachers, tutors all people who want to be successful and productive in their work.

The authors hope that readers will be introduced to a large number of practically usable skills in their professional work.

The authors will be pleased and satisfied if many of the readers get answers to questions they seek after reading this book.



## From the authors

When you discover something good, share it with others.  
In that way it can be spread to the most distant places.

*(Forest Carter)*

The man has not woven his life. He is just part of it.  
However he weaves it, he is doing that just for himself.

*(Aphorism of an Indian tribe)*



# Review

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## Medical and Health Services and its Management

Management of healthcare is a great challenge for every country. Since 2000, a lot of effort has been aimed at changing the atmosphere in and around the healthcare system. There have been efforts to put freshness in previously bureaucratic healthcare systems. This has created a critical mass of supporters of the changes in the healthcare system. Preconditions were created where the patient gradually could become a central figure in the healthcare system, with satisfied doctors and other medical personnel. The success in the manager's work will provide quality improvement in public health facilities and will attract more patients in the market struggle with private hospitals.

In the midst of this turbulent period in the healthcare system, the book *Management in Healthcare* appeared, written by Dr. Konstantin Petkovski and MA. Valentina Simonovska. It will greatly contribute to the current atmosphere of the introduction of management in the healthcare system

*Management in Healthcare* includes the crucial theoretical concepts in terms of management, defining organisations, management with human resources and the principles of strategic management. A separate chapter is dedicated to the implementation of leadership as part of modern management and the managing of changes in organisations.

This book can be used as a primary book for all current and future supervisors and managers in the healthcare sector, and all participants of the programme for management and leadership in healthcare. Additionally, I recommend this book to students of public health and to postgraduate students in management, as an introduction to complex issues that encompass managing in healthcare organisations.

**MA. Vladimir Lazarevik**



# Introduction

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## Challenges of Management in Medical and health services: Needs and possibilities

When winds of change blow, Some build walls, others windmills

*(An ancient Chinese proverb)*

Socio-economic and political changes throughout the world have brought new attitudes, beliefs, patterns of behaviour and of course new challenges. We should also add that the transformation of the health system and privatisation in medical and health services imposes changes on several levels and in many aspects of the medical and health services system. The target of this process, through providing competitiveness and a greater degree of autonomy of the medical and health services organisations, is to improve the quality of the medical and health services and consequently greater satisfaction for the users. Accordingly, the ultimate target is to provide an efficient, easy-to-get social, medical and health services system. It would mean bigger responsibility for the medical and health services institutions and workers towards achieving better results. The changes may be painful, which is why we need “managers for our medical and health services system”. We need people with clear vision and capable of implementing and institutionalising the changes.

Health is not only a medical but also a fundamental social phenomenon. According to the World Health Organisation (Hutt and Lucas, 1995) health is defined as a condition of complete physical, mental and social balance, not only absence of disease or infirmity. In this context, it is interesting to mention Brody & Sobel’s point of view, according to which health is defined as the ability of the systems (cells, organism, family, society) to react appropriately to the many different challenges that come up from the surrounding (physical, chemical, intellectual, psychological, social). Taking this into consideration, health should be looked upon as a positive process, not only as absence of symptoms.

Providing of medical and health services protection to the citizens in an entrepreneurship society to which the Republic of Macedonia is heading, is business in some way. That is why there is need to provide maintenance of the work, to avoid greater shakings. The idea of a manager in medical and health services – a Medical and Health Services Manager - includes all those people who plan, organise and coordinate (team-plan, lead and control) the process of conducting medical and health services protection. Managers for medical and health services include specialists and general managers. Specialists are in charge of special hospital departments and services, while general managers handle a whole unit or system. They all have one target: improvement of medical and health services.

The structure and financing of medical and health services is changing rapidly. That is why future managers should be prepared to work with wide, integrated systems, technological innovations and complex environment, restructured work and enlarged focus of medical services for prevention of disease and infirmity. They will be called on to improve the efficiency and effectiveness of the medical and health institutions as well as the quality of the provided health protection.

Bigger institutions usually have several assistant-executives, who run the organisation. These managers help the top managers and are in charge of everyday decision-making. They can run activities like nursing of the sick , surgery, therapy or giving information about the patients condition (managers in non- medical and health services, such as administration, information technology, finances and personnel services are not included in this category).

Nowadays, with new legal decisions, the two-executive system is being introduced in medical and health services organisations. It has enforced the need for full implementation of management in medical and health services. It is important to note that the offered program for training and the exam for managers in medical and health services is good for beginners, which should be worked on and improved according to the current needs. It is important to improve it so that more practical knowledge and skills are implemented. Management is more of practice than theory, thus the emphasis is on training.

When considering management in medical and health services, we should take into account the fact that medical workers' previous knowledge in this aspect is lacking. It is a serious problem if we have in mind that efficient and effective medical and health services are possible only if there is proper understanding of the policies of medical protection and competent management, who would be capable of converting that politics into visible results and achievements for the benefit of the citizens. Competent medical workers are needed in this new age. Besides the necessary professional training, human resources in medical care need to gain additional skills. As priorities in this context, established in the EU member countries, the following skills can be mentioned: Information Technology,

knowledge of foreign languages, technical culture, entrepreneurship skills and socialising skills, such as the ability to communicate, leadership and team work. In order to achieve these high standards and expectations, besides the functional institutions for university education which educate medical workers, efficient managers and leaders are needed. For that purpose permanent professional and vocational training is needed in the field of management above all.

The field of management is wide and multi-disciplinary. Taking this into consideration, the emphasis during training programmes should be put on management skills, leadership, communication and public relations. It should also cover presenting and meeting-leading, organisational culture and climate, mission and vision, strategic management, management of changes, time management, team-leading, project management, habits that lead to success, working ethics and professional conduct.

As a conclusion, professional upgrading of the medical workers is not spending money in vain but an investment which pays back in many ways. It includes change of the social awareness and creation of a climate for lifelong learning.

# 1.

## Medical and Health Services and its Management

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The medical system is part of more complex systems in society and its successful functioning is a permanent need. To manage the medical and health services means analysing the present medical system through given healthcare indicators; spotting the existing weaknesses, preparing suitable plans, programmes and activities, to implement them in the organisations as well as in the system as a whole and creating suitable medical care politics. The good, continuous communication among parts of the medical and health services and, especially, the division of work among them, correctly led and managed, will enable successful functioning of all its parts.

Medical and health services system is usually organised in several levels:

- The Primary level of health protection, which presents the most important part of the system and includes all general practitioners on the level of local communities in order to provide equal possibility to reach medical care of the population in villages and towns;
- The Secondary level (level of specialised medical protection), which is conducted by specialised services and hospitals (provided only with written prescription of the general practitioner) at this level more complex problems are solved;
- The Tertiary level, where highly specialised and sub-specialised medical care is conducted, is realised by highly specialised personnel and sophisticated equipment is used when providing services. Also, training and scientific work is included at this level, provided by clinical centres, university clinical centres or by some other medical care institutions.

Special importance for functioning of a really complex system like this one is successful leading and managing at all levels of the system by successful managers from medical care organisations, who know how to execute their managing functions (planning, organising, team-building, controlling) and the planned activities they conduct in their organisations. In this way, they will greatly contribute to the degree of quality of health protection at different levels. Management should be considered as a means of successful and efficient work of the organisation. It cannot resolve all the problems which turn up

but it is one of the conditions for proper functioning of the organisation for medical care in general.

The ultimate goal of the implementation of management issues in medical and health services, taking into consideration all characteristics and specifications of the medical care system, is improvement of the health of the population. The latest trends of decentralisation and flexibility in management and leading, as well as wider autonomy for medical care, work in such a way that leading capabilities have become the most important factor because these processes are in need of more complex management and leading skills than hierarchy-administrative systems from the past.

Creation of awareness for the need of education in the field of medical and health services management is a recent phenomenon. This kind of education did not exist before World War I, while during the period between two world wars it had more characteristics of education than medical planning. In the seventies, education on medical and health services management included methods of management.

The main target of this kind of education, was creation of efficient and effective personnel resources, for successful management and leading of medical care units as well as the system of health protection. This education should provide adequate knowledge to the managers from the field of management in order to gain certain abilities and to apply adequate professional skills, as well as practical experience for efficient and effective management of suitable medical organisations (institution, service). Medical and health services managers, with the help of this kind of education, are trained practically and theoretically in many ways that will help them manage medical institutions successfully, in order to reach the organisational targets and be successful managers.

As specific aims of education from the field of healthcare management, the following knowledge areas are obtained:

- medical and health services politics;
- system of health protection;
- organisation, planning and economy of healthcare organisations;
- management and medical and health services management;
- communication;
- information systems;
- healthcare technology.

If the managers gain the necessary knowledge, skills and experience, they will successfully execute their functions in the medical and health services they run. They will also cope with the problems of implementation of health protection. On the basis of gained knowledge and experiences from the practice, healthcare managers should provide clear and openhearted communication with all medical personnel and the patients. They should

know how to communicate with the participants, trainees and doctors on specialisations, to motivate and lead them and to enable cooperation with all of them, to educate them permanently and to improve themselves at the same time. Besides, they should know how to bear responsibility and bring and conduct decisions on the basis of previously made analysis with participation of the others. Only in this way will the organisational targets be reached and the programmes or projects be realised in the best possible way.

There are more profiles of managers and each of them needs professional training specific for them in terms of their methods, ways and contents.

The following are the profiles of managers in the medical and health services :

- medical manager (executives who work in the field of curative protection);
- manager in health service or institution;
- manager for health programmes;
- manager for projects in medical and health services;
- multifunctional manager.

However, it is vital, for managers in medical and health services to gain knowledge, skills and certain experience in the administrative field and management in public services. They should also specialise in the field of private medical practice where managing aspects on the market and aspects of competition are needed. Besides, some fields and contents should be included in training of the personnel in medical and health services. All professionals who work in medical and health services fields can be trained in the area of management: doctors, dentists, pharmacists, nurses, other medical personnel, economists, lawyers etc.

It is clear that all these profiles of medical personnel, need suitable programmes and choice of contexts which are most suitable and helpful in creation of a successful manager in that profile.

When considering the choice of fields to be included, we shall mention the following:

- Basics of management and its principals;
- Medical and healthcare politics;
- Medical and health services system;
- Medical organisation, service, institution;
- Health; and
- Information technology.

An evaluation of previous knowledge of all participants must be made before beginning the process of training medical and health services managers in order to establish if it can be used and to take into consideration the whole knowledge, experience and skills. This is vital whether it is to be used only in certain parts, to assess in which degree that



knowledge can contribute or to start from the beginning. When talking about the best time to begin education, it would be best if young people start earlier, even before they get employed and to get the training and acquire skills and knowledge during employment, through different forms of postgraduate studies.

Beginning from the levels of the organisation of the medical and health services system, three levels of management can be examined: management at central level, management at intermediate level and periphery level management.

### **Management at central level**

This level of management in the medical and health services system presents the highest level, and it conducts legal, professional, methodological, political-strategy and management activities.

At this level are usually positioned public and highly specialised institutions like:

- Government ministries and the parliament
- Republic institutes for public healthcare, institutions for prevention (school of public health)
- University hospitals
- Fund for health insurance, fund for pension insurance and for the disabled
- Other institutions of national importance

The terms **management** and **leading** are rarely used at this level, and when they are, it is only for operational purposes. Instead of these terms, the term **administration** or **administering** is used.

Among the most important activities at the central level are:

- Bringing of laws and other regulations from the sphere of medical and health services;
- Establishing of national medical and health services for the population, defining of the priority goals and activities and their realisation;
- Establishing of national strategies for health, based on the national health politics;
- Projection of a national action plan (frame of detailed programming, budgeting, conducting and evaluation);
- Bringing of suitable regulations for health insurance;
- Bringing and conducting of activities of the medical and health services information system (which should provide the latest information, necessary for the management in the medical and health services sector and for the personnel in all medical services in the country);

- Bringing of standards and norms for health protection (in order to improve health protection);
- Coordination of services in all sectors.

The ministry of medical and health services is the chief manager at this level, responsible for the realisation of the above listed activities.

### **Management at intermediate level**

Intermediate level is between the periphery and central levels of management. Many activities of medical and health services are conducted at this level. Taking this into consideration, successful and capable managers are needed to conduct these activities.

At this level, which administratively can cover many neighbouring communities and regions; there are many complex health institutions, such as:

- Hospitals (general and special)
- Institutions for medical protection
- Institutions for rehabilitation
- Private health institutions
- Regional units of the Republic Fund for health insurance

Taking into account the number and complexity of these institutions, special attention should be paid to activities such as:

1. Planning of the development of the medical and health services
2. Coordination of the medical and health services
3. Making of plans and programmes for work
4. Following and realisation of the planned programmes
5. Evaluation of achievements
6. Expert supervision of the work of the medical organisations

The regional medical and health services personnel coordinate the work of the medical institutions and have an important role in making plans and programmes for work, as well as their realisation.

### **Periphery level management**

The first contact between the user of the health protection and the medical service is at primary and basic level. At this level of primary health protection there are possibilities to solve many of the health problems by taking a number of measures, such as prevention of disease, early diagnosis, curing and rehabilitation of patients.

Actually, the biggest number of health problems is solved at the level of primary healthcare and primary health protection. **Primary health protection** can be defined as a part of the national healthcare system, which provides preventive, curative and rehabilitating services in medical and health services and at the homes of the population, which means in domestic conditions. This kind of care is provided for the whole population in a territory. Management at this level (the manager is usually the general practitioner, paediatrician, specialist for medicine of school population, gynaecologist or dentist) comprises directing and exercising of control over the personnel, services and other aspects connected to provision of healthcare services.

In order to achieve successful management at this level, where the managing of the whole working process should be achieved, proper evaluation of the elements has to be made:

- Who benefits (a person, group or institution);
- What is gained (product);
- Who provides ( a person, institution, insurance);
- How the product is gained (in which way);
- The price of the product (price of activity, action);
- The effect of the service (the ultimate result or achievement).



## Revision questions

1. Discuss how the roles of the managers at the central level relate to the tasks they have to perform.
2. What are the responsibilities of a central level manager?
3. Discuss the roles of the manager at intermediate level.
4. What should a peripheral level manager do in order to exercise successful management?

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## 2.

# Management in a medical organisation

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### 2.1. Management as a reference

Management is one of the references we often see in everyday life. It is a word which is not always correctly understood by everybody. We should treat management more as an activity or a process, less as a reference. It is nowadays used in business as well as in social contexts, although it breaks through in that area relatively slowly. Talking about this, one of the most important barriers to accepting the concept of management, including management in the medical and health services sector, is the traditional approach that management is connected only with the structure in an organisation which leads and controls, not with the personnel in general. In this way, the concept of management refers only to status and power. Management also means execution of tasks or enabling of the execution of tasks. It is a process generally accepted as a way or culture of living in an organisation. In other words, management belongs to all organisations.

Management is undertaken to ensure achievement of good results. The existence of results means the establishment of a structure or system of values about the nature of those results and their meaning, which is to be accomplished. Being a successful manager is actually developing the capacity to understand the nature of the results and achievements and also connect them in suitable system of values. Taking this into account, management cannot be neutral when values and results are observed.

People gain knowledge in order to become successful managers through the process of leading organisations as through formal and informal education. Management best expresses itself through its behaviour. If management means action, then, consequently, the criteria for success is the size of the results which have been achieved and the targets and aims to be transformed into visible changes. For that purpose a manager should have skills for analysis, recognition of priorities and for communication.

The word **management** comes from the verb **manage**, which means: **to lead, to direct, to succeed, to bring about decisions, to meet needs.**

The up-to-date theory and praxis treat the management from the aspect of:

- Process
- Institution
- Hierarchy

Management, understood as a **process**, leads to the existence of **management functions**. Different authors list different functions of management. However, the following five basic functions are accepted by almost all authors:

**Planning:** A systematic and organised process of establishing targets and providing directions for every action of a manager.

**Organising:** Establishing, initiating, adjusting and conducting of normal systems among people. It is a process of task-division among groups and individuals as well as coordination of their activities in order to achieve the targets of the organisation.

**Team-making:** This means the process of employing people who own the needed knowledge, skills, attitudes and habits for successful execution of the given tasks in reaching organisational targets.

**Leading:** The ability to exert positive influence on the opinions, attitudes and behaviour of the employees during the working process. This process also influences them to feel ready and responsible for achieving organisational aims.

**Controlling:** It represents the process of following, evaluation and correction of the achievements of the targets of the organization. This process checks efficiency and effectiveness of the work.

Management as an **institution** consists of people – the employees, who are collectively or individually responsible for the working process and the fulfilment of the mission of the organisation. In this context, we can discuss different **management roles** accomplished by the executives in an organisation. According to Henry Mintzberg the top managers play three types of roles:

- Interpersonal
- Informative and
- Decision-making roles

Interpersonal roles may appear as nominal leadership (head of the organisation), as a leader and mediator. In terms of informative roles, managers perform the functions of supervisor, provider of information and spokesperson. The decision-making role is composed of four parts: entrepreneur, executive for orders, allocator of resources and negotiator.

Management treated as a **hierarchy** shows different management **levels**. Management and its functions comprise the whole organisational structure. According to the positions of the managers in the pyramid-hierarchical structure, there are three types of managers:

- Top managers
- Managers of intermediate character
- Line / supervision managers.

In health and medical services, the management pyramid appears in different forms, depending on the level. For example, in a hospital the top management is comprised of executives and deputy executives. Managers of intermediate character consist of the chiefs of the wards; while line management is composed of doctors in charge of the rooms or parts of a ward, as well as the chief nurse.

If one ward is considered, then the chief of the ward is the top manager; the doctors in charge of the rooms or parts of a ward are the managers of intermediate character, while all other doctors and the chief nurse are the line managers.

The level of management is determined by the targets of the organisation. Actually, every level has certain targets, beginning from the top level where the organisational targets and strategic goals are, going down the pyramid to the middle level – where targets of separate sectors and functional aims are – up to the linear level of managers – where work-oriented and operational targets are.

Management functions are not covered the same way at every level. The character of the work of the manager at any level is different from the character of the work of the managers at the other two levels. That is why the relationship between the routine and no routine decision is different. At the top level of management, most of the decisions are of no routine character, while the routine decisions are commonest at the first level. When talking about the nature of problems, we can conclude that the top managers face non-structural problems, compared to the lower levels where more structural problems are faced.

Development of teamwork in an organisation enables the application of the approach of **participative management**. Participative management “feeds” the ambitions of the best employees in the organisation and helps the manager to prepare his or her associates and other staff to flow with his position. For successful application of participative management, each manager should be able to adjust their way of thinking, from managing (firm hand) to leading. In order to make participative management functional, the manager should be able to analyse the abilities of his/ her co-workers, to take advantage of the meetings as much as possible and to widen his or her own horizons. Participative management is of special importance as far as decision-making and problem-solving are

concerned. Managers should never postpone the presentation of their ideas in front of their colleagues. They are the “fresh blood” of the organisation. A manager should not be challenged by persistent objections, but should lead the organisation beside the persistent objections. An organisation is like a bee hive; always under tension because of constant presence of people with opposite attitudes from those of the managers, who struggle to influence the decisions of the manager.

It is wrong to believe, as some managers do, that it is necessary to soften the tensions that come with dissenting views. They are like vitamins, and therefore inevitable for the organisation. The role of the manager is to channel those tensions and to put them under control in order to prevent them from growing into destructive conflicts. To achieve these aims, the managers should emphasise the ultimate targets of the organisation in contrast to the interests of the individuals, to be enthusiastic and optimistic in order to reveal the hidden misunderstandings and conflicts.

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Provision of health and medical protection to the citizens is a business in a way. That is why good management is needed to enable the working process to occur without destructive conflicts. The idea of a manager in health protection – a medical and health services manager – comprises those people who plan, order, coordinate and control the process of health and medical protection.

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Medical and health services managers include **specialists** and **general managers**. Specialists are in charge of the special hospital wards and services; while the general managers help or conduct one unit or system like a ward.

The structure and financing of the medical and health services is changing rapidly. For that purpose, future medical and health services managers should be prepared to work with wider integrated systems for medical and health protection, technological innovations and for complex surroundings, restructured work and more general focus of preventive protection. They will be invited to improve the efficiency of the medical institutions and the quality of the offered medical protection.

Bigger institutions usually have several deputy executives within the organisation. These managers help the top managers and are in charge of everyday decision-making. They can run activities in those areas such as care for patients, surgery, therapy or giving information about the condition of the patients (managers in non-medical and non-health services, such as administrative and IT services, finances and personnel departments are not included in this category).

## 2.2. Healthcare Unit as an Organisational System

Organisations are groups of people who define policies, create structures and run the resources and other activities to achieve the desired results according to their own individual and common values and needs. By organisation, therefore, we mean consciously created individual with relatively defined barriers that function on a relatively conscious basis established by people who coordinate their activities to accomplish general targets.

Each organisation includes the following elements:

- Technical resources (space, equipment and means of work)
- Financial resources (means received on different basis, the capital) and
- Personnel (potential available for work)

In every organisation the buildings, equipment and finances make the “**organisational hardware**” and the manager and the employees the “**organisational software**”

The relative compound constituted from the parts and relationships which are precisely defined from the surrounding is thus considered as an organisation. It is a means and a tool for achieving of targets which are out of reach for groups or individuals who are not organised. (Kovacic, 1991)

From the point of view of personnel resources, which are rather complex, each organisation includes:

- People who do the work;
- These people are inter-connected (interaction relations);
- Interaction relations should be structured;
- Each person in the organisation seeks an opportunity to fulfil his or her ambitions through fulfilment of the organisational targets.

Interaction of all these elements enables the achievement of common targets. From the point of view of managing and executing, as basic functions of work, the organisation is the moving force which gathers all the aspects of work. When managing the organisation, targets, conditions, processes and the results of the organization are established. Each organisation should establish certain criteria, norms and standards for that purpose. During the performing of the process, a real result is achieved as well as the target which the organisation is founded on – the mission is realised.

For successful realisation of the process, good leadership is needed. Depending on the nature, character, development, complexity and other characteristics of the organisation, a specific organisational and managing structure will emerge. The basic criteria for functioning of the leading structure are delegating of responsibilities and transfer of duties.



The main target of organisations is to enable their efficiency, effectiveness or success in work. Efficiency refers to the working process or the way in which the activities of the organisation are performed. In order to realise properly the working process it is necessary to perform the activities in the right way, which means economically, fast, practically and rationally. Taking these attributes into consideration, rules, procedures, standards and norms are needed to be established in advance. Efficiency is an internal dimension of the organisation and a subject of interest of the managers in the organisation.

Efficiency refers to the results, the amount of work achieved at the end of the work process. To work effectively means to perform the essential and important tasks in order to offer the patients the right kind of services from the health and medical services. Efficiency is the outer dimension of the organisation evaluated by the users of the services of the health and medical sector. This means that efficiency is narrowly connected to the public opinion or the image of the health and medical services. An organisation must be efficient and effective in order to be successful.

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Organisations do not exist for the mere need of work, for the existential needs of the employees, but to satisfy the needs of the users of their services, clients/ patients as well as some social needs.

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The word **organisation** is most often associated with offices and desks, precisely established patterns and models, description of different working tasks with different levels of responsibility. Most often, the first thought that comes to mind when talking about organisations is associated with some model of pyramidal hierarchical structure. This image is only partly complete, because this complexity offers only one point of view on an organisation, which is only a formal dimension.

An organisation may be looked upon as a social system which presents unity of interconnected elements. It contains many elements of the natural or mechanical system. Actually, what goes on in the organization can best be understood if it is considered as an open social system rather than a statistical unit with official premises.

Organizing as a business frame for the management – the process that goes on among people inside the organisation.

The following factors influence the methods of the management:

- People (the employees)
- Nature of work and
- Business systems and procedures (which come out from the nature of work)

Common characteristics of the health and medical services, from the aspect of the character of their organisation, can be mentioned as:

- In health and medical services the employees have a relatively higher degree of education and many different subspecialties;
- In health and medical services performed processes are repeated, but often cannot be predicted. That is why the organisational structure of the health and medical services is dynamic and constantly adjusted to the needs inside and the surroundings;
- There is a high degree of heterogeneity in health and medical services among the participants of the process of health protection. In that sense, there are major differences among: doctors, nurses as main performers of the process of work and the other associates the administrative personnel and the technical help); doctors and nurses themselves when speaking of age, degree of education, specialty; goals of the doctors and nurses and the patients.

There is no pattern about the organisation of the health and medical services. Each health and medical service has its own organisational structure, organisational culture and climate. The organisational structure, culture and climate should enable successful conduction of the organisational mission and reaching of the organisational vision.

The organisational structure has mainly three dimensions:

- **Complexity:** This is the dimension which comes out from the hierarchy and work division;
- **Formalisation:** The dimension which emphasises existence of politics, procedures and different rules;
- **Centralisation:** The dimension which shows if the power of decision-making in the organisation is centralized or not.

Taking into consideration the aspect and character of their organisation, we can select several characteristics which can be considered as common for health institutions:

- Almost all of the employees are graduates but with various specialities.
- The health organisations are dealing with usual or expected processes which are also highly unforeseeable. There are emergencies, outbreaks; etc which the health organisations have to deal with yet these cannot be predicted with certainty. Consequently, the organisational structure of the health organisations is a dynamic one and should be constantly adapted to the internal needs as well as take into consideration the external influences and needs. The health organisations are highly heterogeneous as far as their employees are concerned. There is a noticeable difference, however, between the doctors and the nurses, who are in fact the pillars of the organisation, and the other employees (health associates, clerks, help and technical personnel). There is also a huge difference among the doctors and nurses when you consider seniority as well as in cases of different levels of education, speciality and the goals set by the doctors or the patients.

There is no universal recipe of how to organise a health institution, so each one should have its own organisational structure, culture and climate. These should be set so that they will ensure a successful completion of the organisational mission and vision.

Taking into consideration the aspect of complexity, we can differentiate in each organisation a horizontal and vertical differentiation.

**Vertical differentiation** is not very popular in health organisations, since it evokes feelings of lack of democracy, inequality and inferiority among the nurses. The doctors on the other hand suffer from lack of motivation. Yet it is sometimes necessary because of the presence of different systems of evaluation which might lead to conflicts among the people involved and result in anti-culture.

Also, this type of differentiation is very effective in fulfilling organisational goals. In these cases it is absolutely essential to have an institutionalised form of governance in order to avoid chaos in the health institution. There is also a definite need of setting up personal responsibility in the work process and the conduct of the individuals employed in the institution.

**Horizontal differentiation** originates from the division of labour in any organisation, especially a health organisation. What is peculiar to a health organisation is that it is a place where doctors from different fields and specialities work and are grouped into different divisions or departments. This is to enable cooperation and coordination between these departments as well as participation in the process of reaching decisions and the flow of information. It is also important to emphasise that the manager of the health institution, primarily the director, has the role of preventing favouritism among the doctors, nurses or other personnel in the institution.

The sources of **formalisation** of the health system and the health organisations can be found primarily in the **state, the principles of health system and the management.**

From the aspect of formalisation and partly of centralisation, it can be said without any doubt that the health institution is basically a bureaucratic organisation. The term bureaucracy is generally treated as administrative working under strictly defined rules and procedures, working with papers and keeping files.

The characteristics of the bureaucratic organisation have been scientifically determined (Weber) as:

1. The functioning of an organisation is based on rules.
2. The fields of work and the competences are defined.
3. A highly expressed hierarchy.
4. The members of the organisation are not the owners of the funds.

5. All the decisions regulations and procedures should be recorded and kept.
6. The members of the organisation are allowed to act only in their specific field.
7. The rules of progress are formalised.

Like any other organisation, the bureaucratic one has its positive and negative sides. The advantages can be found in its organisation of work which enables the respect of the principle of equal opportunities in the field of health protection throughout the country, as well as in the continuance of the working process. The disadvantages in this type of organisation are manifested through the possibility of fairly easy change of the goals; the executives are confined by the existing standards of work; management requirements of the doctors and the nurses to stick to the regulated procedures and proceedings. Consequently, the extensive formalisation leads to restrictions of the autonomy of the health personnel.

In the case of **centralisation** we can distinguish between two types of systems: the **centralised and the decentralised one**. In both cases the issue of responsibility has to be precisely determined. This means that we should always know **who** is responsible, **what** the object of his/her responsibility is, **which** he/she responds to and **what** his / her responsibility is (moral, material, disciplinary, legal). The centralised systems have a characteristic, strictly determined hierarchy - strict rules, regulations and proceedings; standardised planning at all levels; and equalised salaries. This leads to losing motivation in the case of the employees, stereotypical working and setting of minimum requirements, rigidity and statistics. In environments such as this the controlling function includes inspections and searching for the once responsible for the bad results and not an evaluation with the aim of improving the working process.

The decentralised system gives opportunity for the implementation and the development of teamwork as well as the development of the organisational culture, improvement of professional relationships among the employees and greater autonomy of the departments. They are a democratic way of leading a health institution and establish a competitive spirit as well as greater flexibility and dynamics.

A health institution is a complex, dynamic and open organisational system which can be perceived as a closed and specific one. The primary function of a highly efficient and organisationally designed health institution is to enable activities which will lead to high standards in the treatment and the prevention of contagious diseases. The degree of success is determined by the environment in which the health organisation functions, but also on society's beliefs and expectations.

## 2.3 Structure of a health institution - organisation and completion of the work

Each organisation has its own working environment that partly determines and dictates the conduct of their executives, and the ways in which they respond to challenges and opportunities. The leaders on the other hand also influence the surroundings through three different ways of action:

- Through **the aims and standards of the performance targets** that they set: “Successful organisations have good leaders who set high standards and goals.”
- Through the **system of values** that they set in the organisation: “The values are a reflection of the care that the organisation has for its employees, patients, investors and the community.”
- Through the **concepts** of the employees and their work: “The concepts determine what kinds of health services the health institution will give.”

These goals, standards, values and concepts make out the picture of the organisation (its “personality”) as perceived by an outsider as well as an insider. This “personality” actually determines the roles, relations, rituals and the ceremonies found in the organisation and is part of its tradition. The roles are positions that are determined by the expectations connected with the execution of each task that is given or undertaken.

Each role has a set of tasks and responsibilities and has great influence over the conduct of the employee. Since the wages depend on the successful completion of the role, there is a prestige connected with the role as well as a challenge.

The relations are determined by the tasks which on the other hand are connected with the roles. Some of the tasks are performed individually but some are completed in cooperation with other employees (team work). The task is the one that determines who will cooperate with whom, how many people are required, how often they should meet and when the due date is. The greater the interaction, the greater the bonding. Human conduct is hard to be controlled, so it is difficult to make someone work with another person or to be friends with someone against his/her wish.

Each health institution is characterised with three dimensions or elements which determine its:

- Activity
- Culture
- Structure

All institutions have common goals and tasks. The individual activities which are part of the health protection or the health services are the ones that are dependent on interpretation

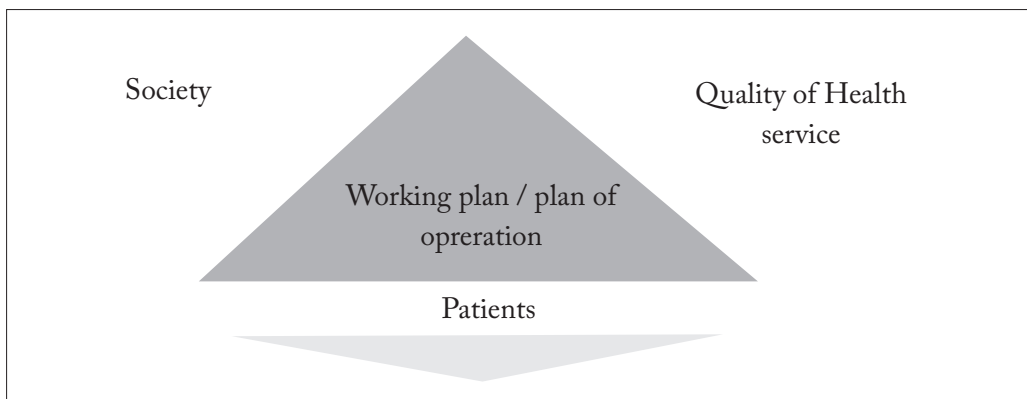
of the goals and tasks within each institution. The official plan or work programme that is accepted by the different sectors and departments includes the activities which should be fulfilled in liaison with the other departments. That way, the overall plan of the health institution is set.

The interpretation of this work programme as a whole will depend on its reflexion on the shared values and priorities, which represent the short-term and long-term goals and tasks of the health institution and its surroundings. These shared values form the culture of the organisation. The complexity of the health institutions requires suitable managing structure so as to ensure the fulfilment of the working plan.

It is also important to emphasise that all the three dimensions or elements (structure, culture and activities) are mutually dependent, because a change in one of them provokes changes in the other two. If the work is well organised, the health organisation is then characterised with an equally well-designed organisational structure, good working atmosphere and climate and compatible health culture.

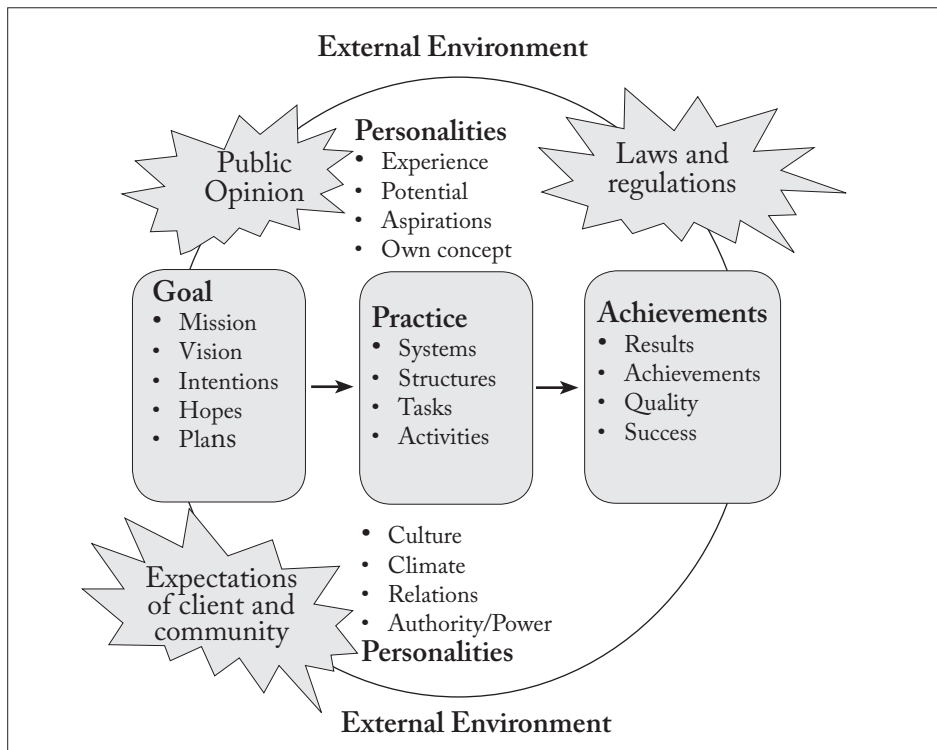
This should be accompanied by the efficient work of the director of the institution, which also implies well distributed personnel, good time table (including night shifts), thoughtfully arranged space and maximum use of all the available resources.

One of the most important management tasks of the director is the management of the work plan.



In determining each part of the plan, it is crucial to identify what the patient will get as a health service. In order to function properly as an organisational system, and fulfil its mission, the health organisation should establish a solid organisation on global level and should ensure that conditions are set so that the plan of work and the process of health protection are intact. The responsibility about the efficiency and the quality of the health services falls on the director. He ensures that the organisation gives optimal possibilities for the treatment of the patients as well as the advanced training of the personnel. The

importance and the complexity of the work at each institution are clearly shown in the following frame:



## 2.4. The Culture of Health Organisations

Each organisation has its own recognisable culture which is a combination of tradition and magnitude. This results in ceremonies - experiences, rituals and ways of working and acting. These ceremonies influence the individual conduct so that this is done in a satisfactory and conventional way. It also determines the suitable conduct for every situation.

When we talk about organisational culture, we have to bear in mind that it is a fairly complex phenomenon that we can treat from several angles. It is really an image of the life and work in one organisation, representing the characteristic spirit and the beliefs of the firm, which are demonstrated through the standards and values that people in the organisation stick to. It also includes their relationships, the nature of their professional conduct and how the above-mentioned should be improved and changed.

The manager of the health institution needs to develop an analytical frame so that they can identify the unrecorded, unofficial and untouchable elements that influence the way the organisation functions. Comprehension of the influence of shared values and attitudes,

is crucial in the overall assessment of the opportunities for successful implementation of the changes and improvement of the work at the health institution. The invisibility, 'unreachability' and the informality of the culture are an obstacle to the demands of the manager who seeks to change the existing culture.

Most people live in a community or in an organisation, which calls for cooperation. But as time goes by they realise, to their surprise, that they have difficulties in understanding and justifying many things that they experience in their lives as part of "the organised life" ... Most of those things seem "bureaucratic", "political" or simply "irrational". The people that have some position, or simply said "the executives" are often misjudged or misunderstood and are a cause of frustration to some people. The fields of organisational technology and sociology have discovered several useful concepts for the understanding of individual conduct within an organisation and the ways in which those organisations are structured.

Organisational culture represents a system of commonly shared values, standards, beliefs or ways of thinking and acting which are shared by the people who are part of an organisation. It is the organisational culture that differentiates one organisation from another, and it also determines the relations between people within the organisation. According to some psychologists, the organisational culture, in a way, limits the personal freedom of the employees.

Under the term "organisational culture", we understand the following:

- The dominant values which have been decided upon by the members of an organisation.
- The method of operation and the realisation of managing functions.
- The philosophy of the relations between management and the doctors, nurses as well as patients.
- Ways of resolving conflicts.
- The elements of different styles of treatment in different institutions.
- Ways of communicating within the firm.

The organisational culture in a health organisation manifests in several ways:

- **Visually** - the conduct of the medical personnel, the doctors and the management of the health organisation.
- **Verbally** - the jargon, slang, vocabulary that are used in the organisation
- **Conduct** - of the management towards the doctors, nurses and other personnel, as well as patients (for example: compassionate, impulsive, and aggressive).



The absence of a functional organisational culture leads to “uncultured organisation”, which means that there is lack of respect of the employees of the health organisation, patients and their relatives and friends that are visiting; not obeying the hospital order, damaging of equipment and the building where the health institution is situated. It also entails lack of care and responsibility in the cases of the doctors, nurses and the other personnel.

The responsibility for the enforcement and the upkeep of the culture in the health organisation is directly linked to management or, to be more precise, to the director. The essence of the culture in a health organisation lies in the relations between management and the employees on one hand, and the patients on the other hand. The basic problems in these relations are:

- ways of communicating
- ways of solving conflicts
- the participation of the doctors and nurses in the process of reaching decisions.
- the ways of using the power of having control in the health organisation
- ways of treating patients, the quality of it and the success

One of the major parts of the culture in this type of organisation is the style of treating patients. The organisational culture is manifested and supports management in different ways:

**Ceremonies** - special events when the members of the health organisation get together to celebrate festivities, success or an anniversary.

**Values** - criteria set by the management that determines the conduct of the employees. This is a dynamic category, and through the values people gain experience, upbringing and might be instinct. Good examples for values are: **objectivity, compassion, and righteousness.**

**Acts (conduct) or customs** - are activities that are used by the management to send certain messages to the employees, such as the act of getting the job, promotions, additional training and specialisations.

**Rituals** - are regular acts which are repeated on purpose so as to maintain the set of norms. A ritual of the kind is the “morning coffee” that they begin the working day with.

**Writing of Chronicles – A chronicle** is a book in which the achievements of doctors, patients or guest’s statements are registered.

**Symbols, Slogans** - are recorded statements such as the statement which identifies the mission of the health institution hang out boards, pictures or other objects that show

off the symbol of the health institution, which is also known as trademark. These are recognisable marks which symbolise and represent the specific health organisation.

The term culture is one of the expressions that seek to win over the informal side of working and is normally accepted as the way in which things are done. It comprises models (stereotypes) of thinking, acting and manifestations at our workplace.

Basically the first level of culture is comprised of the basic assumptions of people:

- Assumptions which are taken for granted or as something certain.
- Apparent or evident things about which no one talks, but everyone intuitively accepts and acknowledges.

On its second level it identifies values and conduct which are less abstract and can be observed as manifestations of the essence of culture.

These values are the experiences and the perceptions of the people in the organisation about goals set and they express their conduct. For example in some organisations, it is an unspoken law that one can be late for a meeting, people are always punctual. The conduct tells us a lot about the existing values and about the informal norms. Sometimes the conduct reveals the existence of sub-cultures.

The third level is made of manifestations or observations which represent the social elements of culture. At this level we can clearly observe the physical space, the technological expressions used by the group, as well as the language used when reading or writing, the professional creations and accomplishments and the unconstrained conduct of its members.

The culture in the health organisation is influenced by:

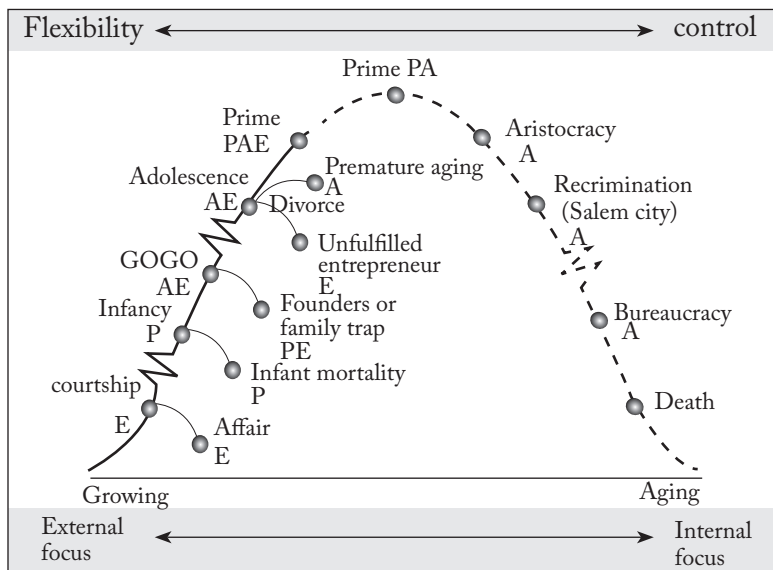
- Some **visible regulations of conduct** (for example regular attendance)
- **Dominant values** that have been set up in the health institution
- **The philosophy of the health institution** (for example all of the patients are treated equally)
- **Well set up** rules of the game (rewards for well done job)
- **Sense of the climate** (established climate of cooperation)
- **An established approach to the working of the doctors** in the health organisation (planning of the activities or using contemporary methods of treatment and diagnosis)
- **Established time table** (time table of night and day shifts)
- **Order and discipline**
- **Communication with the personnel**
- **An established consensus by health personnel** about the goals and the tasks of the **defined mission** of the health institution

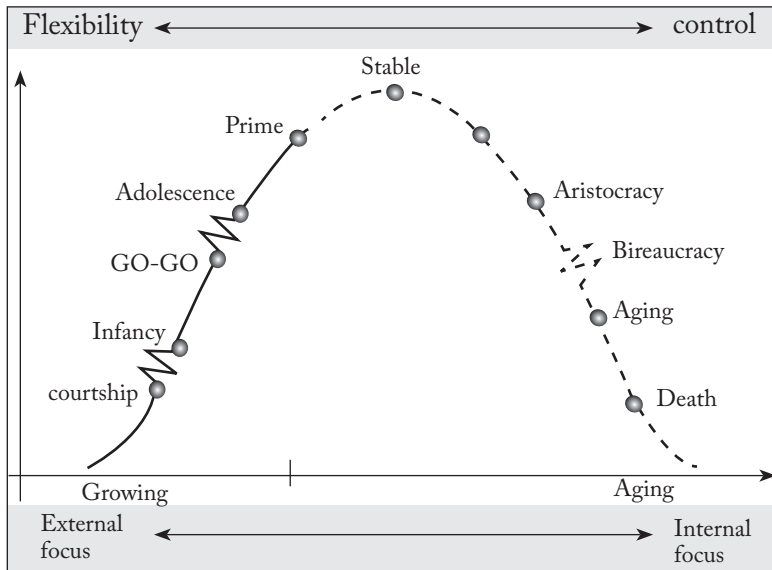
- **Established attitudes** of the personnel and
- **High expectations** of each individual on at every place in the health institution.

The description of the functional culture of the health organisation includes:

- Stressing the need for permanent education and advanced training – life-long learning
- High expectations of the employees
- Taking care of the internal and external resources and
- Developing and maintaining of the health institution.

The readiness for experimenting and the courage of the doctors, who are trying out new ideas, forms and methods based on knowledge and skills have crucial influence in the process of establishing a functional culture in the health institution.





## Types of organisations

Organizations go through various stages in development. There are different stages to go through before there is stability and performance.

| Results \ Processes | Ineffective                               | Effective                 |
|---------------------|---|---------------------------|
| Dynamic             | An organisation in search of its identity | Dynamic organisation      |
| Static              | Stuck organisation                        | Bureaucratic organisation |

### 2.5. The climate in the health organisation

Organisational climate is that mutual feeling in an organizational which defines the perceptions and attitudes of the members of the organisation. The organisational culture has its roots in the nature of the organisation which results from the years of existence and the presence of the formal and informal systems, rules, traditions and customs. On the other hand, organizational climate is a short-term phenomenon which is created by the organisation's leader at a given point in time. The climate reflects the beliefs and feelings the people have towards the organisation. This individual perception derives from people's beliefs and attitudes towards the activities undertaken by the organisation. These activities influence the individual motivation and satisfaction with the work as well as the inherent team work. Those activities include:

- How well does the leader determine the priorities and goals of the organisation?
- What does he expect of the employees?
- What kind of reward and punishment system does the organisation have?
- How competent is the organisation's leadership?
- Do the leaders have the freedom to make decisions?

Organisational climate is closely linked to the leadership and the prevailing leadership style of the executives, based on the values, characteristics, qualities, skills and actions as well as on the priorities set by the leaders. The ethical climate determines the members' attitude towards the organisation. In cases when the activities take on an ethical nature, and in the working process there is an ethical issue, the character and the conduct of the leader are the crucial factor which influences the organisational climate.

The organisational climate is actually the created environment in which the process of giving medical (health) services or medical (health) protection is performed. It includes the material –technical prerequisites as well as the relationships of all the direct or indirect participants in the realisation of this process. In other words, the climate of the health organisations is an established environment which is a reflection of the feelings of its employees, patients and other personnel. It is also important to emphasise that the organisational climate is concerned and deals with the subjective reactions of the members of the organisation. It is partly a function of the organisational culture.

Some of the feelings towards an organisation may be affected by the degree to which an individual shares the accomplished values or beliefs with most of the members in the organisation.

If a person doesn't share the same values and beliefs with most of the members, than he or she might react quite negatively towards the whole climate in an organisation. Consequently, the organisational climate is about how successfully its members communicate or avoid each other. It is also important to note that the organisational climate is space which is constricted; held together by a sense of job satisfaction.

Job satisfaction includes perceptions connected with the sphere of activities and the nature of the performed task. It is advisable that organisational climate should avoid feelings connected with politics.

In order to establish a positive climate in an organisation, it is crucial for the director to have all the required conduct characteristics, but equally important in the creation of the climate are the attitudes and the actions of the doctors and the nurses.

The development of a positive climate in the health institution is connected with the good organisational structure, which is characterised with several **factors**, among which

the most prominent is the one connected with **permanent control and following of the patients' health condition**. What is considered most important in the creation of a good climate is the belief that every patient should get the best health protection and care.

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Crucial in the strengthening of the climate are the following attributes: friendliness, establishing of mutual respect and trust, cooperation, honesty, openness , communication, flexibility, self-criticism, culture of conduct, self-control in the communication, well-intentioned and inoffensive critics, argumentativeness, responsibility, tolerance, unselfishness, punctuality, conscientious, faithfulness

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Medical health organisations that have a healthy climate are characterised with an established:

- neat and pleasant working surroundings
- system of rewarding and punishing
- atmosphere of order and discipline
- a system for evoking positive attitudes among the personnel
- system for reaching and carrying out decisions
- system of open and honest communications

The following summary gives a comparative review of the characteristics of the working culture of two medical health organizations:

| A stuck medical health organisation   | Mobile medical health institution   |
|---|---|
| <ul style="list-style-type: none"> <li>• low unity</li> <li>• personnel insecurity</li> <li>• low sense of belonging (loyalty)</li> <li>• isolation</li> <li>• individualism</li> <li>• fatalism and pessimism</li> <li>• status quo</li> <li>• minor contact with the aims of the medical health organisation</li> </ul> | <ul style="list-style-type: none"> <li>• high unity</li> <li>• personnel security</li> <li>• exceptional sense of belonging(loyalty)</li> <li>• communal spirit</li> <li>• cooperation</li> <li>• optimism</li> <li>• continual improvement</li> <li>• mutual goals of the medical health organisation</li> </ul> |

## 2.6 Management theories

In history there were great managers like Alexander the Great, Emperors of the Holy Roman Empire, the Roman Catholic Church and the ancient empires in America and

China. However, management started being treated as a science in the late 19<sup>th</sup> Century and early 20<sup>th</sup> Century. The first attempts to look at management as a science were by an American Fredrick Taylor (1856-1915) who came up with scientific management.

### **Scientific management**

Whereas previously managers would only mind about what amount of products they were getting irrespective of how the products were produced, Frederick Taylor postulated that there was a better way of producing items. He said each worker should be given the task she/he is best suited to. There was need to have scientific education and development of the worker. This necessitated cooperation between management and labour to have a more efficient and effective productive system. He suggested that the following be in place:

1. Incentives: people will work depending on the incentives they receive
2. Task specialisation: this increases the output – a person is put to do what she/he does best
3. Started using the stop watches to measure the time people spent on activities
4. Proposed the involvement of management in factory activities.

Subsequently, other thinkers like Henry Gantt (1861-1919), Frank (1868 -1924) and Lillian Gilbreth (1878-1972) expanded the focus of scientific management, highlighting the need to protect the worker as a human being and not to be used like a machine.

### **Classical organisation theory**

The main proponent was Henri Fayol (1841-1925) well known for his 14 principles of management, which are:

1. Division of labour: this increases efficiency as a person works on one aspect of work for some time
2. Personal authority e.g. expertise; it is better a worker does what they have expertised in
3. Discipline (reward good performance and punish): there should be responsibility on one's work. Good work should be rewarded and poor performance should be punished.
4. Unity of command (get orders from one person): A person should not have two masters.
5. Unity of direction (similar work under one person): All the work that is similar should be in one unit so that there is harmony of activities.
6. Subordinate individual interest to common good: The interests of the organisation should be given prominence.

7. Remuneration (fair compensation): Workers should get a fair reward for their effort.
8. Centralization and decentralisation: Authority should be centralised enough so that one can command what should be done but should also be decentralized enough so that the periphery units should be able to conduct their business easily.
9. The hierarchy: clear line of authority
10. Order: materials and people should be in right place at the right time
11. Equity: managers must be friendly and fair
12. Stability of staff: To ensure a good performance, one needs to have people stay in their positions for some time. This also creates institutional memory.
13. Initiative: subordinates should be given freedom to innovate
14. *Esprit de corps* (team spirit): workers need to work as a team complementing each other in their work.

### **The behavioural school**

Proponents of the behavioural school wanted to address the ‘people-side’ of organisations. They argued that the social environment of employees has a positive influence on productivity. The behavioural school was spearheaded by Elton Mayo (1880 – 1949) and some associates from Harvard like Roethlisberger and William J. Dickson. This thinking led to behavioural scientists like Abraham Maslow who postulated that people worked because they were to satisfy the hierarchy of needs with the physiological needs to be satisfied first until people reach self actualisation. Other theorists like Douglas McGregor upheld Theory X and Theory Y.

In theory X, managers upheld that the average human being has an inherent dislike of work and will avoid it if possible. Most people must be coerced, or threatened with punishment to get them to put forth adequate effort to achieve organizational objectives. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition and wants security above all else.

Theory Y managers believe that the expenditure of physical and mental effort in work is as natural and the average human being, learns not to seek responsibility. People will exercise self-direction and self-control to achieve objectives to which they are committed. The capacity to exercise a relatively high level of creativity in the solution of organisational problems is widely distributed in the population.





## Revision questions

1. Discuss the functions of a manager.
2. Explain the differences between vertical and horizontal differentiation in organization management.
3. How does the culture of an organisation affect its performance?
4. Discuss the complexity of an organisation known to you.
5. Explain the emergence of the scientific management theory.
6. How does the manager's perception of the health workers affect his / her relationship with the workers? (Use theory X and theory Y of McGregor)

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# 3.

## Variety of medical health organisations

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Health performance is of special public interest .It can be performed by health organisations (institutions, establishments, services), yet medical health work can also be performed by individuals.

Medical health organisations have a considerable contribution to the health of the population. They use the major part of the economic resources and have the biggest number of employees in a country. They are frequently the creators of the feeling of security and the atmosphere of trust in the community. These organisations are a crucial factor in the development of the economy and the community in general.

The following are exceptionally important and necessary for health organisations:

- To be governed according to the principles of human dignity, equality, solidarity and professional etiquette
- To be connected with clearly set goals of health benefit
- To satisfy the needs of the patients
- To aspire to continual improvement of the quality of the healthcare
- To provide finances which will enable medical health protection, respect of the will and the choice of the citizens, a different way of giving medical protection , converting of human resources, enforcement of the management and learning from experience

Depending on the nature of the medical health work which is performed and the kind of medical health services that are given, medical health organisations are named as:

- Doctors' office (practice)
- Medical health station
- Medical health centre
- Poly-clinic
- Diagnostic laboratory
- Dentist laboratory
- Centre for urgent medical help
- Hospital (general and special)

- An institute for health protection
- Pharmacy

The process of transforming the primary medical health protection resulted in the creation of the institution of ‘registered doctor’ (chosen doctor). In some countries, the general practitioners and the dentists as well as the paediatricians, gynaecologists and school doctors that used to work in the primary medical health protection are currently the chosen registered doctors.

Most of the newly formed practices use the premises of medical health centres or rented space although some of them work in their own offices. All of them have registered private practices or the so-called private medical health offices.

**Doctors’ office (practice)** - may offer health protection if the conditions have been fulfilled for performing general practice, dentistry, or specialist and consulting services.

**Medical health station** - may offer health protection if there are conditions for performing general practice, industrial medicine, medical health protection for women, dentistry, laboratory, supplying of medical materials and medicines.

**Medical health centre**- investigates, follows and studies the health situation, the working and living hygienic conditions. Medical health centres perform primary preventive protection. It follows the growth and development of pre-school and school children through systematic checkups and immunisation, preventive dentistry and medical health protection. It also includes anti-tuberculosis health protection, urgent medical help and home visit, health protection during the night, on Sunday and during holidays as well as specialist-consulting health protection. The medical health centre also offers and performs specific kinds of health protection such as health protection of mothers and their children, sports medicine, following of the mental health of children and adolescents as well as following the health condition pre-employment, on the work place and the occupational diseases. It prepares, suggests and participates in the enforcement of the unique programme of health education and performing of quality visiting-nurse service. It also performs examinations, treatment of the sick and injured and medical rehabilitation. The medical health centre organises and performs home visits, participates in the enforcement of the measures for protection, prevention and treatment of the diseases of the mouth and the teeth, as well as in the urgent medical help, the preventive and primary health protection. It gives medical services in the following fields:

- Preventive health protection (systematic checkups and immunization)
- Urgent medical help and home visits
- Polyvalent visiting-nurse services
- Dentist preventive protection as well as night help
- Specialist-consulting protection

- Drug supplying
- Pneumo-physiological protection
- Health protection of mothers and their children
- Sports medicine
- Mental health of children and adolescents
- Systematic checkups and periodical checkups
- Pre -employment and checkups of the workers
- Professional diseases

The medical health centre may perform other specialist-consulting and dispensary services if it complies with the regulations. What is important is that it enforces team work methods. The work is done by general practitioners, dentists, specialists in industrial medicine, paediatricians, gynaecologists and obstetricians, school medicine doctors, radio diagnosticians, epidemiologists, hygiene doctors and other specialists, as well as health workers of different qualifications, and they all cooperate with the hospital doctors and health workers.

**Polyclinic** – may offer medical health protection if there are two or more doctors' offices. In other words there must be two or more kinds of services from the field of primary health protection or more than two specialist-consulting services or hospital treatment.

**Diagnostic laboratory** – collects laboratory specimens, processes and analyses with use of diagnostic equipment as well as physical-diagnostic methods.

**Dentist laboratory** – it participates in the making and the production of dental helping devices (dental bridges, artificial teeth, and denture)

**Centre for urgent medical help**- organises and enforces measures of carrying out short-term medical health protection of the people in need of urgent medical help, from the place of injury, enforcing measures of reanimation and intensive care, to the certified medical health institution which is to take charge of the patient. This centre may perform home visits (treatment).

**Hospital (general or special)** – It gives specialist-consulting and in-patient medical health protection. It performs medical examinations and determines the health condition of the patients as well as performing special diagnostic, therapeutic and rehab procedures and specialists give professional opinions and suggestions. A hospital also takes in patients for treatment; taking care of their nutrition and providing constant monitoring.

The general hospital provides medical health protection of people of all ages that suffer from different kinds of diseases. This, however, only happens after the conditions for performing specialist-consulting and hospital medical care have been satisfied. They

should include medical health protection in the field of internal diseases, child diseases, general surgery, gynaecology and obstetrics, anaesthesia and reanimation, as well as conditions for performing biochemical tests, radiology diagnosis, supplying of blood and blood derivatives.

Autopsy, biopsy and supplying of sanitary materials are included in the services and so is the isolation in cases of contagious diseases.

The special hospital provides medical health protection to people suffering from a specific illness or who belong to a specific group. This only happens in cases where the conditions for performing specialist-consulting and hospital medical care have been satisfied. This means that they have to have a suitable diagnostician and laboratory facilities as well as medical and sanitary material supplying, accommodation and food for the sick and medical statistics.

**Health and medical services** - offers medical protection in one or more medical branches. This means that they work in a specific field of medical health protection or with a specific group of people. This medical health organisation performs a systematic monitoring and analysis of the conditions in the field that it is specialised in. It examines the methods and uses measures for early detection of illnesses, treatment and rehabilitation and also suggests measures for improvement of the medical health protection in the specified field. Another task of the institute is to organise professional courses and training of medical health workers. If the institute complies with the conditions of a special hospital, regulated by the law of medical protection, it may offer hospital medical protection.

**Health and medical services for transfusion** – performs, plans and improves blood donation. It collects, stores and distributes blood for the needs of the medical health organisation. The institution also makes test serums and blood derivatives as well as parenteral solutions. This institute establishes the vocational medical and doctrinal criteria in its field of work.

**Institute** - performs medical health protection only if it complies with the regulations of a medical health institute as well as with the regulations for performing scientific and research work.

**Clinical hospital** – provides medical health protection only if it complies with the regulations of the general hospitals. It also has to have services in the fields of urology, neurosurgery, orthopaedics and grammatology, ophthalmology, diseases of the ear, throat and nose, neonatology, psychiatry, neurology and oncology. The clinical hospital also offers vocational training of the medical staff in the fields of medicine, dentistry and pharmacy. A major trait of this hospital is the fact that it covers more medical fields than the general hospital.

**University Clinical Centre** - represents a medical health organisation which generally performs highly differentiated medical health protection from a variety of medical branches. It also performs educational and scientific research work, besides enabling functional connection of the work as well as the organisation of the shared laboratory diagnosis, X-ray diagnosis, anaesthesia and reanimation services, admission and triage of patients and supplying of drugs and sanitary materials. The university clinical centre also offers specialist-consulting and hospital medical health protection.

In order to be able to perform its work, this centre has to employ at least five employees who have a doctorate (PhD) in Medicine or Dental Medicine. At least two of them should be professors at a Medical University or at a School of Dental Medicine.

**Institute for medical health protection** - has the role of following, studying and researching the health condition of the population, the causes for the outbreak and spreading of contagious diseases. It also deals with other diseases of social and medical significance as well as the influence of the ecology on the health of the humans. The institute for medical health protection suggests and takes up measures for protection and improvement of the health of residents.

The work of the institute for medical health protection covers the following activities:

- Collecting, processing and analysing of data connected with diseases and the mortality rate of the population and other data that influence the health condition of the population
- Collecting, processing and analysing of data connected with the medical work
- Organising and planning of the medical health protection
- Studying and monitoring the hygienic and other conditions in connection with the protection of the air, food products and generally used objects, drinking water, waste water and solid waste materials as well as participating in the preventive sanitary monitoring of the construction sites
- Enforcing measures for protection of the population in case of an outbreak of contagious diseases and other major diseases.
- Studying of the nutrition of the population and taking measures to eliminate the consequences caused by malnutrition and
- Participation in the realisation of the health education in connection with other medical health organisations.

Very often the fragmented care for certain episodes of the disease is provided by specialists from different areas of medicine. This type of care should be changed by integrated health protection which is characterised with general inclusiveness and continuity as well as with establishing of work relations among the medical professionals and the general population, based on common trust.

In many countries special care is taken for the effective system of directing; which needs well organised mechanism of directing and feedback between the primary, secondary and tertiary care. In these countries it is compulsory that the first consultation of the patient should be at the primary health care centres which are formally referred to as “guards”. This kind of system contributes to efficiency as unnecessary complex consultations with secondary and tertiary health protection are avoided. Establishing of the system of “guards” takes well trained doctors who work in well organised and successfully managed services for primary health protection.

### 3.2. Health and Medical Services for Primary Health Protection

When discussing health and medical services for primary protection, we can say that net-kind of employment should be provided between different levels which function as medical services and other sections. The most important role in the main functions of the primary health protection are the following institutions:

- Ordinations;
- Poly clinics;
- Medical centres
- Other institutions that provide care during the first contact.

These institutions enable closer relationships between the multidisciplinary teams of medical professionals, local institutions, non-government organisations, schools, local media and companies, as well as multi-level approach to the problems to be solved. The existing services are often fragmented, horizontally and vertically. The care is usually episodic and divided between several specialists, nurses and other medical professionals, instead of being organised around the conception of multi-professional team which can offer integrated care. Thus primary medical care should be supported by the secondary and tertiary medical care through providing of diagnosis on the basis of technology, cure and rehabilitation.

Primary protection is the central function and main focus of the health and medical services in the country. It is the main means for the provision of healthcare; the most periphery level of the health and medical services which stretches from the periphery to the centre and represents an integral part of the social and economic development of the country.

Secondary and tertiary level of health protection should more effectively serve and support the primary health and medical services and in that way concentrate on those functions that cannot efficiently be provided at the level of primary protection. The secondary level of medical protection is consisted of services which on the first place provide secondary

medical care, more specialised than that at the primary level and thus enabled by trained personnel (specialists from different medical areas). Tertiary medical care is specialised care which includes highly specialised institutions and care of highly specialised medical workers (e.g. neurosurgery, cardio-surgery and so on.)

Planning of secondary and tertiary health and medical services, according to the principle of “regionalisation”, which is based on the population, enables more rational use of expensive technologies and expertise of highly trained personnel. Thus, regional medical administrators and the management of the hospitals should have much information for the medical needs of the population in order to be able to plan rational hierarchy of the services. It will also enable the evaluation of the medical problems so that they are properly taken care of. To make all this possible, better information and management systems should be built that can be capable of supporting the steps of the care for the patients as well as of the administrative actions.

Introduction of the politics of “substitution” will also enable rationalisation of the use of secondary and tertiary health and medical services. In that way, the place where the diagnosis is made will be changed, as well as the curing which will move to other places than the conventional hospital. In that way the responsibilities will also be divided between the medical personnel.

Both categories of patients, acute and chronic, should be distinguished in order to optimise the use of resources and expertise of the personnel. The acute care of the more serious cases that need attention in clinical conditions for diagnosis, curing and rehabilitation should be provided by acute hospitals. On the contrary, the institutions for longer stay of the chronically ill and other places which offer care, should provide an environment and a climate which is as close in nature to domestic conditions as possible, and to provide suitable care of the people who are admitted there. These kinds of health and medical services should be considered as part of the primary health protection, not like hospital section.

The current expenses of the sick people should be accounted for under maintenance of the infrastructure and the personnel, whilst the security and maintenance of the equipment, technologies for recycling of medical waste and other physical and technical characteristics should be constantly improved. It is one more reason for substitution of the most economic alternatives in the primary health protection for use of these expensive institutions, when it is clinically reasonable to make such substitution.



### 3.3. Personnel Resources in Health and Medical Services

Throughout the world people cause many revolutions, such as information revolution, biotechnological, or especially important – revolution in human relations. Technological development and the understanding that in the business world the wishes and needs of the clients cannot be neglected, and that managers are no longer in position to order around and expect their orders to be conducted without second thoughts, brought to the conclusion that human relations can no longer be taken for granted. That quality in the first place means taking maximum advantage of the human potential. Creativity has become a key point for success.

All organisations, business, governmental or non-profitable entities will have to undergo profound cultural change. The employees in the successful organisations will have to think fast, to work wiser, to be able to take risks, to be more responsible and to learn to treat each other in a completely different way. (*Psychology of Success – Leadership inside You*, Dale Carnegie).

Skills are not an inborn capacity in human beings. Some people have them, others do not. In order to provide top quality human relations we need to have the know-how, which is not easy to acquire. That is why training is key.

Human resources and the personnel in health and medical services are the main force in all health and medical services because they are central in the provision of medical care, policies and programmes. Different health and medical trends are occurring in Europe. Eastern and southern parts of the region have for a long time had health and medical services with too many employees, while the unemployment and other market rules have not decreased the number of graduate doctors. Beside the large personnel, a certain number of countries still face difficulties in rural areas (unbalanced distribution of personnel).

In many countries, the lack of suitably trained doctors, nurses and other personnel in primary medical protection is a serious problem, while the education of medical professionals is not balanced because of the great number of specialists and yet there are not enough qualified nurses.

What is really considered as a problem and has to be pointed out is the fact that the education medical workers acquire is something completely different and they do not work together during the training. In this way, team work is not promoted, which is one of the pre-conditions for successfully fulfilled work.

Traditionally, education pays very little attention to the elements of work of medical professionals who are of vital importance to the population. Generally, professional education is at a very low level, although it is generally accepted that constant professional

development and training are necessary for the creation and maintenance of quality in work.

The following are the most important targets in the development of personnel for health and medical services:

1. Education of the medical professionals should be based on the principles of the politics “health for everybody”, making them capable of supporting promotional, preventive, curative and rehabilitation services with good quality and to help build a closer relationships between clinical and general practice.
2. Planning systems should guarantee that the number and variety of the medical professionals is adequate for the present and future medical needs.
3. Adequate capacities should exist for specialised training in management and practice in public medical care.
4. The education of the professionals in other sections should comprise the basic principles of the policies “health for everybody”, as well as the awareness that their work may affect the determiners of health.

Medical workers should above all be in adequate numbers and should have acquired the knowledge, skills and competencies to respond to the demands and predicted needs of health and medical services. Medical care workers should have completed secondary or vocational education and college or university education in Medicine, Stomatology or Pharmacy.

In order to be able to provide medical care, medical workers should gain a certain degree of vocational education and then go through the compulsory training period. Without having passed vocational exams and gaining a working license, the medical worker will not be able to practise in the profession. For certain types of work to take place successfully, medical workers will have to have completed certain specialisation or sub-specialisation. Independent practice should be discussed at this point. Medical workers with secondary or college education can provide medical care independently after the training and after having passed the vocational exam. Graduate medical workers from a specific area of Medicine or Stomatology can independently perform their practice after finishing the specialisation or sub-specialisation and after gaining the requisite license.

Medical workers with a university degree in Pharmacy may independently perform their practice after finishing the specialisation or sub-specialisation and after gaining the requisite license.

**Introduction into work and training period of the medical workers** - There is only one way to teach somebody or to persuade them into something, which is: **be an example.**

Introduction into work represents a phase in the professional development of the individual in an organisation; where in some way he or she becomes independent or able to perform the work on his/her own.

Introduction into work is given to the newly employed (trainees) in order to provide them with the needed information for faster fitting in the working environment. Generally, there are three kinds of information:

1. General, which refers to everyday work
2. Information about the history of the organisation, its goals and mission, existing services and about the working position of the new employees in the organisational goals
3. Detailed presentation of the benefits, rules and politics of the organisation.

At the same time, during the process of introduction into work, relations of confidence are built, support is provided, as well as motivation. Besides, the employee's work is closely followed. The mentor provides the introduction. During that period, the mentor is usually a person with experience and skills, worth to be looked upon. The mentor supports, teaches, advises and helps the less experienced person in order to improve his or her professional development, but also, at the same time, to enable faster and easier adaptation in the working environment. The mentor is a leader to the trainee.

The mentors work during introduction into work consists of the following tasks:

- Diagnosing (pre-knowledge);
- Evaluation (of needs);
- Planning activities;
- Providing of information;
- Motivating (supports cooperation, provides cooperation which is voluntarily accepted, creates atmosphere of confidence);
- Helping (in the process of learning);
- Advising (about better performance);
- Cooperating, communication and development of practical relations and connections;
- Control of the daily work.

During the process of introduction to work, the mentor bears the primary importance, his or her competitiveness to transfer the knowledge and experience, ability to "lead", communicate and motivate. The mentor should, through personal example, introduce the trainee, because his or her every step may influence the trainee. The trainees are considered for their performance of tasks, they feel less valuable than those who already work and are worried about how they will work with their colleagues.

The mentor is successful when s/he:

- Meets the different needs, abilities and interests of the trainees adequately;
- The trainee gradually gains the needed knowledge, skills and understanding about the work he or she performs;
- The meetings with the trainee are with clear vision and make sense;
- The feedback helps the trainee to progress;
- The relationship with the trainee is positive and increases his or her motivation.

In health and medical services the mentor is a medical worker (depending on the area) with a professional license to practise. The criteria that these persons should fulfil as well as the health and medical services where the training period is performed are established by the Medical Chamber, Chamber of Stomatology Specialists or Pharmacy Chamber with an act accepted by the Minister for Health protection or its equivalent.

The training period of the medical workers is determined by a set plan under the supervision of the mentor or the entitled medical worker. The plan and programme for the training period, as well as the way in which the training evidence is kept, are approved by the Minister for Health, with guidance from suitable university organisations.

At this point we should mention that the length of the training period differs depending on the vocational level of the trainee. The training period for medical workers with secondary education is six months, for medical workers with a college degree is nine months, and for medical workers with university degree is a year.

The ability of the worker for independent performance of work or vocational work is checked by a vocational exam after the training period. The examination commission, the way of examining and evaluation of skills for the vocational exam are established by the Medical Chamber, Chamber of Stomatology Specialists or Pharmacy Chamber. We should also state that the above case refers only to medical workers with university degrees.

Medical care workers – trainees with secondary education and college degree, take the exam in front of commissions established in the public health and medical services. The passed vocational exam is a condition for individual working in health and medical services, whereas the vocational exam for medical workers with university degree is a condition for gaining the basic license.

Introduction to work is regulated by law and the training period is set by the Law for health protection. However, we must mention that when it comes to choice of the medical worker – mentor - there must be total regulation:

- Precise criteria for choice of a mentor;
- Defined phases of introduction to work ;
- Precise working tasks for the mentor.

**Career development of medical workers:** Medical workers with a university degree, with at least fifteen years of experience and successful work, which means promotion, career development, good results in organisation and practice of medical and health protection, as well as passed specialist exam, published scientific works and achieved results in training of new stuff, can gain the title **primaries**. This title can also be given to medical workers (doctors, dentists, pharmacists) who have not taken the vocational exam, but meet the other conditions mentioned above and have at least fifteen years of successful work. The title of primary is given by a special commission established by the Minister for Health.

In the context of career development, nurses can also gain the title of chief nurse. To achieve that, they need to have a higher degree of education – college or university degree and to achieve good results in their work. They also need to have good organisational abilities or managing characteristics. They integrate the work of doctors and nurses and are the leading force in every ward in frames of one organisation, hospital for example.

### 3.4 Hierarchy in the health and medical services.

The status of the medical professionals and the criteria for choice of the managers in health and medical services is established by internal acts. The same acts determine the working tasks and other obligations of similar character.

Beside the manager and the deputy managers, the other management personnel are:

- Director of a health and medical service or institute;
- Secretary of a working unit;
- Department chief;
- Chief;
- Chief nurse – technician;
- Ward nurse – technician;
- Ward stomatology nurse – technician;
- Nurse – technician in charge

Furthermore, we shall explain the working tasks and responsibilities of different management profiles.

**Directors** – manage health and medical services, organise and adjust the working process in all units. One of them is a doctor while the other one is a financial director who is responsible for efficient and effective financial work.

**Department chief** – directly organises the working process in the health and medical services and institutes where the medical practice is performed. In order to be capable of doing this job, the department chief must have knowledge and ability to improve the work and the technological process in the appropriate service, as well as for successful conducting of medical care. The department chief closely applies the rules of the practice, supervises the working hours, the working discipline, the order and hygiene. He takes care of the technical function of the whole object/building and medical equipment. Besides his responsibility as a manager, he also provides medical care according to his specialisation.

**Secretary of a working unit** – directly organises and is responsible for the administrative and office work as well as for the administrative correspondence. The secretary makes analysis, collects information, and writes reports and other written acts that are under his or her area of work. Beside the legal work and legal help for the employees, the secretary keeps evidence for the medical and other workers who are in their training period according to the written plan and programme. The secretary also does other activities which are suitable for his degree of education.

**Ward chief** – he or she is responsible for the professional work of the department, does the internal supervising over the professional work of the employees which is obligatory in the ward, gives own proposals for the planning as well as for the professional meetings. Ward chief coordinates the work of the units in the ward in close liaison with the department chief and other associates, with special credits and responsibilities. Other than these duties, ward chief practices medicine according to his specialisation and does other tasks that are ward chief's responsibility.

**Chief** – directly organises the work in the dispensary. He or she is also responsible for in-time and correct way of working in the dispensary and gives information about it. The chief also takes care of the working discipline as well as for the diligent and in-time proceeding of tasks of the employees in the dispensary. He participates in analysing, planning and evaluation of the health protection of the population covered by the area of the dispensary. One of the duties of the chief of the dispensary is to propose measures on how to improve the work, to follow and provide support for the realization of the working plan and to take care of the health education.

**Chief Nurse** – in order to be able to do the job of the chief nurse, she or he must have finished college degree. Together with the department chief, the chief nurse takes care of the correct functioning of the working process. She takes care of the hygiene and general neatness in the ordinations and other premises, as well as for in-time preparation of the medical instruments and sanitary material. She gives proposals about positioning of workers with secondary and college degree, as well as for the administrative and helping

personnel. She collects the daily evidence about the examinations, as well as the evidence which is kept monthly, on three months, six months and the annual statistic evidence of the examinations in the organization units and proceeds it to the department chief. She follows the execution of the work and working tasks of the nurses. She also informs about the health protection according to her degree of education.

**Ward nurse / stomatology nurse – technician** – part of the working tasks of the ward nurse / stomatology nurse are include: participation in planning of the reserves for medications, sanitary material and other necessities and care about their proper keeping; care about correct and rational use of the above mentioned material; close care about the order and hygiene of the premises, as well as about the working discipline; direct practicing of medical care according to their education; cooperation and help for the chief nurse during the tasks in her working environment.

**Nurse – technician in charge** - takes care of correct functioning and all activities in connection with the means for work in the ordinations (dispensable sanitary and other material), takes part in health education, closely participates in providing of the order and hygiene in the premises, provides medical protection according to her degree of professional training, cooperates with and helps the chief nurse in conducting of her field of work.

### 3.5 Professional characteristics of medical workers

Human resources, the personnel in the area of health protection, should be in a suitable number and should own skills and credits adequate to the needs and demands of the health and medical services. For that reason it is necessary to prepare programs for graduate, postgraduate and continuous education of doctors, nurses, managers of health and medical services and other professionals from the area. This would lead to the necessary changes in the place and context of education in that way to prepare the personnel to perform the practice according to the modern practice in health and medical services.

The cooperation and the team work among colleagues is a crucial element for successful work and should generally be accepted in the working ethics. Individual work without exchange of experience for common improvement cannot be considered as professionally satisfactory. Everybody, including nurses, pharmacists, dentists and social workers should work as a team in order to recognise the necessity for cooperation during solving many of the problems that cannot be dealt with by only one professional. It means that taking part in problem solving is of major importance for their successful resolving.

It is a fact that the lifestyle of doctors and nurses influences the health of the patients and they should be properly educated about it. For example, many researchers have

proved that if the doctors are smokers, they do not have an immense influence on their effectiveness and activity in advising their patients.

Medical professionals should devote themselves to the development of better quality of care. It is one of the domains where they should work on their skills. Some medical workers should follow their own performances and to compare them with the performances of other professionals, as a basic ethical component of professional practice. In order to achieve the wanted change, professional education has to be modified and supported in that way by health and medical services.

A multidisciplinary team of medical professionals is supposed to provide integrated medical protection. During their education they should be inspired to respect human dignity, professional ethics and solidarity. Of special importance is the awareness that each profession has its own competence and that they should work together, as a team, on the basis of mutual respect and expertise of the other members. Cooperation does not always mean working at the same place, but mutual connections, performing of the complementary work, permanent exchange of information and periodical meetings to facilitate the cooperation. The acquired knowledge which is needed for different surroundings should be defined so as to plan properly the positions for training. The manager and the executive need to have skills and abilities to do this correctly, and at the same time perform their functions of organisers and planners.

### 3.6. Planning for the employees in health and medical services

Planning for the personnel or the employees is one of the functions of managers. Health and medical services managers should be able to plan the needs of the personnel and to guarantee that the number of employees will suit the needs of the organisation. That is why well trained medical managers, who will provide well trained personnel and instruments are needed. They should also be able to examine and update the existing plans, to make analyses and policies, to prepare projections and plans. For that purpose, we need a good and developed information system about human resources and a process which includes many factors which are engaged in the professional development of the medical personnel.

Some health and medical services providers do not have enough personnel, which is reflected in the quality of work and medical services they offer, because of the unequal distribution of staff. However, rationalization of the number of the employees as means for better efficiency and coordination is planned for the most suitable providers of the services according to the needs of the population.

Rationalisation may be guaranteed by a combination of several measures:



- Cutting down on the number of employees through restriction of the trained personnel;
- Revised norms considering the number of trained personnel;
- Redistribution of the existing personnel;
- Rational future use through better management and leading.

**Training of the medical personnel.** Training is a process through which people gain new knowledge, skills and abilities in order to improve their work while performing the tasks and fulfilling their own and organisational goals.

Training of medical workers should be done according to the medical needs of the population and should guarantee the necessary knowledge and skills. All environments where medical care is provided should be integrated in the process of education, or training as essential environment for learning. All forms of training of the medical personnel should be connected in a continuous process, whilst the context, targets and goals of the training should be properly defined at every level.

Medical care professionals should be trained in the field of communication, to have well developed analyses, communication and managing skills. Special attention is to be paid to problem solving and team work ability. It points out the necessity for training about team work and its application.

Evaluation of the quality of the training should be based on the knowledge, skills and attitudes of the trained medical professionals. The evaluation of their performance through different forms of supervision and estimation, after a certain period of gaining new knowledge and work skills, should provide feedback for further improvement of the training system and targets that are to be realised through the training.

Trainers should be active facilitators of the learning process, not only means of knowledge transfer. To make this work, the training staff should have the opportunity to modernise and upgrade their knowledge as well as to be flexible to adapt to new techniques of teaching.

It is crucial for the doctors to be capable of diagnosing the individuals and the population and to protect them from diseases. At the same time, they should pay attention to improving of the healthcare system. That is why they should be taught about the principles of economic management, efficient use of resources and suitable technologies as well as about the basic aspects of economic and social science which are relevant to health protection.

A multidisciplinary team of medical professionals who work in the area of primary health protection includes:

- Doctors;

- Nurses;
- Midwives;
- Dentists;
- Patronage nurses;
- Pharmacists;
- Physical therapists;
- Social workers.

### **Qualifications which are necessary for doctors and nurses working in the primary medical care**

**The doctor** who works in the primary medical protection should above all be trained to provide services for the entire population, regardless of the age, sex, social class or the religion of the service recipients. The doctor should be prepared to cover all the problems that may appear in the primary medical protection field. As the doctor performs her/his duties she/ he should not exclude certain categories of medical problems that might appear. That is why the training and education of the general practitioners should guarantee that they gain the **necessary knowledge and skills for that purpose.**

*Does the general practitioner have to be a specialist to perform these tasks immediately after finishing the university or after finishing the basic education?*

This question is discussed currently in many countries. The decision should be made according to the specific conditions prevailing in every country. However, there are two major points according to which the doctor should on one hand fulfil the basic needs comprising knowledge, abilities and skills, and on the other hand gain the skills befitting the status of a specialist.

**A nurse** and her training are the other key factor in the primary medical care field. Well trained nurses may help individuals and families to face disease, disability or stress. Those nurses advise about the lifestyles or the behavioural risk factor and help the families to answer questions connected to the various health issues.

The nurses' knowledge of public health protection and social issues as well as communication with other social services may determine the effects of the socio-economic factors on the health families and to direct them to the suitable services. Their training enables them to take on the role of the doctor in some situations where the needs are more relevant for the knowledge of the nurse. Managers or directors in medical care are obliged to enable the nurses acquire this kind of training.

The following are vital in making well-trained medical professionals:

- Education of the medical professionals should enable sharing of the relevant knowledge, principles and skills for medical practice, including the practice of quality public health and medical services, as well as the essential aspects of the economy and social science which refer to public health.
- Creation of educational programmes that will focus on family care in all educational institutions and university centre for training, where the doctors, nurses and other medical personnel are trained.
- The education of the medical professionals should be prepared and improved during the working process through trainings, in order to represent factors that connect and enable health protection in all services that function with a number of partners.
- Educational institutions should have systems that guarantee and enable feedback from the practical experience and should use modern techniques and technologies.

### 3.7. Management of health services

Trends of decentralising and flexibility in management with an organisation, bigger autonomy for the health and medical services as a result of the decentralisation and introduction of regular markets all increase the necessity of having managers with managing skills. These processes bring sophistication of services which is more than that in the hierarchical administrative systems in the past. This concept means managing of health and medical services in order to provide better education for them so that they can estimate their needs, programmes in the health and medical services field and techniques for their observation. That is why certain programmes are needed to prepare the personnel to acquire special skills in order to make strategic planning and to manage the institutions. Also, all categories of medical professionals should be able to manage, to negotiate and to communicate on a higher level in the departments where working with people is a constant feature.

#### **How to manage human resources in health and medical services**

Managing of human resources or personnel in health and medical services imposes use of the personnel in a way which is cognisant of their abilities and in conditions where effective team work is promoted. In this way, geographical distribution of the personnel in the country is covered as well as their connection with the population.

Special attention should be paid to the manner of recruitment. It should be done with great attention, because rational recruitment and the politics of integration of resources are the basis of an effective work force. Sometimes professional qualifications are too high or rigid in comparison with the tasks which should be accomplished, meaning

that the personnel should finish more tasks. That is why; minimum criteria for any career promotion (qualifications, experience, and the achieved results) should be defined according to the required abilities.

Many factors influence the behaviour of the personnel in health and medical service provision. For example, especially useful is the concept of salary if it is used according to the relevant systems, measures and indicators. The system of budgeting should also be created in a way that will enable managers to offer stimulants to the medical personnel. For that reason the influence of that kind of stimulants on the behaviour of the personnel in health and medical services field has to be mandatory and continually estimated.

The work of the personnel requires a good evaluation system and is essential for managing of the human resource in the organisation. The performance evaluation system represents the precondition for the introduction of salary according to performance, which is closely connected with the process of training of the personnel.

One of the most important issues is career development of medical professionals because it is in direct relation with the accomplishment of the tasks and services. Career development should be transparent and to enable lateral movements, not only vertical. The system should be applied to all levels of medical personnel. Sometimes, in primary medical protection, the teams do not have a dynamic career because of the nature of their work. They should therefore be given the opportunity to have other responsibilities such as participation in scientific research and in projects with other services as well as access to education and the training opportunities.

Finally, the ability to manage health and medical service and to lead policies and programmes for development of health protection on several levels is also of grave importance. It requires people, communities and sectors that create health policies. That is why health managers with suitable abilities and skills as well as power and authority are needed in order to deal with these tasks and to become strong leaders. At the national, sub national and local levels, they should be professionally trained in the public health protection on the level of postgraduate studies and experienced in public health work. Their work should comprise the whole population in many administrative and political surroundings. Actually, public health protection needs more practical workers who would be trained to support the activity over the whole population in order to improve health as well as to provide adequate institutional infrastructure for their work.

Health managers should have the ability to motivate medical workers performing their work and in accomplishing tasks. Managers who are capable of leading, creating partnerships and coordinating multi-sectoral activity are in great demand. They should have profound understanding of the contribution that different sectors may give in the organisation and for the contribution of different associates in solving health problems.

Medical managers have to be trained to analyse health problems, to be focused on problems related to lifestyles, the environment and medical protection. They should also be capable of working in network with a number of partners. They need communication skills in order to gain information about public health, which is required by the politicians and the population. In order to be successful in this role, they must have the support of a number of experts from the following areas:

In health and medical services the medical managers should be trained in planning of health policies and programme, including:

- Defining of kinds of services;
- Defining of targets;
- Measuring of results and achievements;
- Evaluation of achievements.

Nevertheless, they should be able to help in planning, following up and evaluation of programmes using evidence based interventions. All these tasks are rather complex. That is why it is necessary to train and educate the medical health managers.

The existing systems should be revised to check if the managers have clearly distinguished duties and enough capacity to be able to take over medical activities of that size, based on the whole population. Of special interest is to strengthen the infrastructure, capacity and profile of the educative institutions, as well as to improve the training programmes of managing personnel in medical and health services. Innovative leadership should be provided in medical and health services which can motivate, inspire, facilitate and engage all sectors of health protection.

**Management with other resources in health and medical services.** The health protection system, just like other systems in society, should have resources and means necessary for normal functioning. These health resources are meant for the realisation of the planned programmes and activities.

Other than human resources and personnel, the following are also considered as part of healthcare resources:

- Knowledge and information base;
- Materials;
- Equipment
- Medications, reagents and other raw materials;
- Financial resources.

Resources that are available for health and medical services must be well planned and rationally used where needed, always with the aim of improving healthcare services. Their

use must be supervised and when needed measures have to be taken to put them “back to normal”.

They can be arranged into several groups for easier management:

1. Human resources – the trained and other personnel, their experience, knowledge, skills and abilities, their education and additional training and education and planning of their development.
2. Material resources – buildings and other objects, premises, medical and other equipment, raw materials, reagents, medicaments, energy etc. the planned activities cannot be realised without these activities.
3. Financial resources – finances necessary for normal functioning of the organisation (project, team) and come from the budget, funds, payments in the organisations and participation, work on different projects, from donors and other sources.
4. Administration and data base – they are resources that are essential for the day-to-day work of the organisation. Without them it cannot be effective and efficient.
5. Technological advance – in different areas, such as communications and information technology, processes, procedures and methods for health protection, up to date medical equipment, researching processes etc.

It is not an easy job for one manager to handle the resources with the development of the healthcare system and its complex structure. Therefore for different resources, there is need to impose special personnel – managers who would manage only one resource at the time. It will enable the manager to deal only with tasks which require his expertise. The experience in managing big health and medical services so far has proved that the specialised way of managing resources is a possible route to efficiency and effectiveness in the realisation of progress in work. Managers should be able to plan and allocate the available resources as well as to supervise them and control the results in order to manage them successfully. Above all, they should be able to recognise their priorities.

The manager – being in charge of allocation of resources – must pay special attention during their allocation and to analyse their distribution in different areas of the organisation, their use and the results from that use. The complete process must be carefully followed and possible corrective measures must be taken. It is the only way to avoid mistakes during the allocation and the possible consequences of such allocation.



## Revision questions

1. What are some of the reasons for fewer health workers in rural areas compared to urban areas?
2. What are the challenges that the referral system faces?
3. How does the recruitment of health workers affect service delivery?
4. Explain how health services delivery requires many professions to be effectively delivered.
5. Discuss the methods used to improve the performance of the health workers after recruitment.

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# 4

## Team work in health and medical service provision

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Health and medical service institutions are far more effective if there is team work and decisions are made by the majority. An organisation where the decisions are made by the manager himself, on the other hand, is much less successful.

Team work opens opportunities for:

1. Resolving of complex issues
2. Efficient problem solving
3. Higher morality level
4. Less complicated progress
5. Identification of the potentials and current problems and simpler way of their resolving
6. Implementation of changes.

### 4.1. What is a team?

People have always gathered in groups and for different reasons like communication, common work, success. Time and effort are necessary for a group to grow into a real team because the members of the group come with their own expectations, needs and interests. When a group is being formed its members spend a long time to get to know each other and to define the working rules. No matter how competent and trained they are, when the members have just come together, the group does not function as a team as there are many opposing energies in the group by the members who work in different directions. What the group lacks to grow into a team is **organisation** or direction. **This will combat the individual energies and experiences towards a single or unified target.** In other words, synergy needs to begin working.

The term **synergy** is usually defined as an idea meaning that team-combined and internally oriented efforts of the members are bigger than the sum of their individual efforts. The effect of synergy in many cases is evident and measurable. The very existence of synergy or common dealing is the main reason for its use in the team and the **wisdom**



**of the team, according** to which the effectiveness of the team is bigger than the simple, partial sum of the individual effectiveness.

According to Tretvan, “a team is a group of people who work or behave in a way which helps them to achieve their common targets.”

The spirit of an effective team should be created in a manner where all the members work for the benefit of the team. To achieve its target and to realise the given task, the team should encourage each member to develop his or her skills. In this way the team becomes a group of people who can successfully accept and realise each given task. At the same time, “successfully” means on time and qualitatively performed task with complete and rational use of all resources.

In organisations people very often find out that it is better to work in teams because it improves the execution of tasks and the common targets that can be reached faster. It is because of the fact that nobody can have all the knowledge, skills and abilities needed for the process of work. A team is built by individuals who help each other. It is the only way to build a complementary team that will enable its members to learn from their inherent differences and to be better because of those differences. Isaac Adjises calls this kind of team **a complementary team with a sense for the united differences.**

Real and successful teams are needed in practice. Individuals put together do not always make a team. The truth is that bad teams can be ineffective and destructive.

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A team is a group of people with a high degree of mutual dependence towards progress in order to achieve the targets or towards complementing of the given tasks. A team is a group of people who cooperate because of common targets and tasks.

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Teams are formed for different targets and tasks. In a typical health and medical service organisation we may recognise the management or expert team. Some of them more or less exist permanently, while the others, such as project teams, can exist for a specific period of time.

A team enables three major advantages:

1. Maximum development of human resources
2. Causes synergy effect
3. Enables continuous progress

The following criteria are important for every team:

1. Personal identity of the team

- Membership, inclusion
  - Influence, control and internal trust
  - Getting on, loyalty
2. Relations between team members
  3. Identification of the organisation

#### 4.2. Phases in the team development

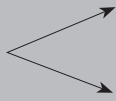
There are several factors that distinguish a team from a group: **roles and responsibilities, facilitation, identity, cohesion, communication, flexibility and enthusiasm.**

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Every team is a group, but not every group is a team.  
Teams must be created. They do not happen.

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Principally, teams go through some basic phases:

|                       |   |   |
|-----------------------|---|---|
| <b>Phase of chaos</b> |  | <b>Formation</b>                          |
| Phase of formality    |   | <b>Adjusting - turbulence</b>             |
| Phase of skills       |   | Standardisation – norming (what is this?) |
|                       |   | Realisation - executing                   |

**Phase of chaos.** In this phase members of the team believe that the tasks are quite simple and do not make compromises. Each member supposes that the others have clear vision of the tasks. They do not spend much time for the planning of the tasks which are given to them. They may come up with many ideas, but also many of them feel lost because team members cannot apply them and give them up without understanding them. The most important role of the team leader is to create order and to make sure that the tasks are acted upon. This phase is consisted of two sub-phases: formation and adjusting or turbulence.

The first step is **forming** or **founding**. Then, the team is more a sum of different individuals than a firm homogenous unit. A major characteristic of this step is that there is centralised authority, the tasks are blurred, all members are cautious, with feeling of conformism. Worry is evident at this phase with hidden feelings and little care for the others, just to cover for the weaknesses.

The second step is initial working or establishing. Difficulties may appear during this period, especially when personal interests come to surface or when the leader or members of the team do not stick to the established rules of work. If the team target is not clearly

distinguished some discomfort may appear between the members and they may easily blame each other because of the lack of visible progress in the team. If the problem is properly taken care of, the second step ends with new targets, tasks, procedures and norms that are positioned in a better manner. If not, the team gets into a crisis and disintegrates. This step of the team development is known as **turbulence**. Its landmarks are lack of unity and working methodology. Possibly, lobby groups may appear, suspicion about the leadership, tension, anger and **cynic** feelings as well as confusion about the team work are manifested.

**Phase of formality.** In this phase **specific** roles are given to each member of the team. There are many roles and protocols that provide order of the things that are to be executed as well as their easy management. Rules to be adjusted are established in relation with the given tasks and the planning for their execution. The main duty of the leader is to integrate all members of the team towards the established procedures, to prevent conflict resolution and to direct everybody towards the set targets.

The third step is known as **the phase of maturity and team development**. In this phase, team or collective personality evolves in better communication, procedures and decision-making. They finally have the feeling of belonging to a group and effectiveness increases. As in any other process of maturing there are difficulties and challenges even at this phase of development. However, because of the established rules the level of trust and respect increases and the differences are looked upon as an advantage not disadvantage. Members of the team pay more attention to problem-solving and the task and the progress is more visible for that reason. This phase is known as **norming** or **standardisation**.

**Phase of skills.** In this phase all members of the team have the feeling of community and common responsibility considering the success or lack of success. Team members want to cooperate and they find the tasks interesting and productive, as their skills come to the surface.

In this fourth step of development the **complete maturity is achieved and the team reaches its potential**. This phase is known as **execution**. In it, the leadership is adjusted to the circumstances; there is flexibility and openness, pride, even excitement among members of the team.

### 4.3. Team leading

There is no team without a leader. Taking into consideration the main role of the leader - **directing of the group towards a common target** - his or her role may be understood as a sum of the following activities:

- Establishing team targets;

- Confirmation of the personal expectations in frames of the team;
- Use of skills and qualities in the best possible way;
- Making an example of yourself;
- Discussions about problems as they may appear;
- Permanent observation of the individual performances in the group as well as receiving and giving feedback;
- Representing the team in and out of the organisation;
- Establishing of solid relations between the team and other teams in the organisation;
- Enabling the successful execution of the task.

There are several ways in which the team leader can manage the team

- By showing enthusiasm for his/ her work
- By developing a sense of team membership
- By establishing clear rules of behaviour
- By continually keeping the team informed
- By enabling common development

In close relationship with team leading is creation and leading of successful teams. Creating and sustaining successful and effective teams is paramount. Probably the most important item for effective teams is the atmosphere in which people do their work. Successful teams do not create tension or barriers. They are dedicated to the target or the task and there are no signs of boredom, dissatisfaction or lack of interest. The team atmosphere is relaxed; there is solid competition between the members and they have high expectations. The relationship between the members and the team leader, between the team members and the members of the other teams are based on common trust and respect which usually spreads around in the environment where the team functions. At the same time there is respect to the differences of the individual contributions, values and characteristics of the individuals. This leads to openness and sincerity in discussions as well as to accepting the decisions even if they are not in favour of the individuals' opinions, attitudes and interests. The team is happy, with a clear vision of the results and the need for improvement of its effectiveness and efficiency.

Characteristics of a good-functioning team:

- People take care of each other
- People are open and sincere
- Decisions are made by consensus
- There is dedication to the team
- There is problem sharing and solving
- People listen to each other
- Feelings are openly expressed

The team creates opportunity for the leader to show his or her communicational abilities on one hand and, on the other, it is an opportunity for all members to understand them. They mature together as communicators who build the organisation.

Teams represent communication cores of professional organisation of health and medical services. Principally, the team is a working group, consisted of two or more members, with special tasks and targets. In order to achieve the target or accomplish the task, team members share the responsibility on the basis of self-control and establishment of special internal atmosphere which is characterised by dedication to the group, cooperation and high working standards.

An example of a team is the consultation which occurs in a case when there is an unclear clinical picture or if there is an illness of more serious nature in hospital. Then, the manager or any director of the health and medical service on patient's or his own asking and in consultation with the suitable specialized personnel asks for a team of more specialists in order to accomplish correct diagnosis and therapy and to provide quality health protection.

### **Team Norms**

Team norms are the values and expectations each member of the team is supposed to have. Some examples of team norms are: dressing code, time keeping, accountability and good record keeping. Individuals who break team norms are forced by other members to reform.

### **Team Cohesiveness**

This is solidarity of the team. The degree of solidarity shows how much influence the group has over its individual members. The more cohesive the group the more members feel the sense of belonging to it. If members of a group have a strong sense of belonging to it they are unlikely to break team norms. Highly cohesive teams often have less tension and hostility and fewer misunderstandings than less cohesive teams do. Cohesive teams tend to produce more uniform output than less cohesive groups.

There are four ways of improving team cohesiveness:

- (a) Introduce competition: Conflict with outside individuals or other teams increases group cohesiveness.
- (b) Increase interpersonal attraction: People tend to join teams whose members they identify with and admire
- (c) Increase interaction
- (d) Create common goals and common fate

Group effectiveness is a function of three variables:

- (1) Task interdependence – This is the extent to which a group's work requires its members to interact with one another. A high level of task interdependence increases the group's sense of potency which is a shared belief that a group can be effective.
- (2) Outcome interdependence - Is the degree to which all the group members face the consequences of the group's work.
- (3) Charter - A clear and achievable set of objectives.

Groups should be given responsibility in handling their own affairs. The members of the group should decide how much task-interdependence their group requires.

### **Making Teams Effective**

The best way of making teams effective is to organise them into committees. A committee or task force is the best way to pool the expertise of different members of the organisation and then channel their efforts toward effective problem-solving and decision-making.

### **Guidelines for committees**

These guidelines make committees operate effectively:

- The committee's goals should be clearly spelt out. This should be in writing.
- The committee's authority should be specified
- The optimum size of the committee should be determined. The size of committees usually varies from 5 to 10.
- The chairperson of a committee should be elected on the basis of his or her ability to run an effective meeting.
- The agenda and all supporting material for the meeting should be distributed to members before the meeting to enable them to prepare in advance.
- Meetings should start and end on time. The time at which they should end should be announced at the outset.

### **Participative Management**

One of the ways of making groups or teams effective is to encourage active participation of all the members. The dignity and contribution of every member should be respected.

### **Focusing Teams on Performance**

There are factors that make teams operate well. These are: Performance challenges, accountability, commitment and collective work.

## Rules that enhance team performance

- 1: Team-work assignments need to address specific, concrete issues.
- 2: Work needs to be broken down and assigned to sub-groups and individuals.
- 3: Team membership should be based on what each member can achieve and the skills that each of them has.
- 4: Each team member should do roughly the same amount of work.
- 5: Each member should be aware that it is not the position he or she holds that is important but what he or she contributes to the company.



## Revision questions

1. Discuss the stages of team formation.
2. What are the characteristics of an effective team?
3. You have been given a task of evaluating the health system in one region. You have been given five members to lead. What can you do to make the team perform very well?
4. Some teams break up and create new ones. How can one prevent the breaking up of teams?

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# 5.

## Strategy management

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The prevailing societal and market situation, characterised by fierce competition and a number of changes in the environment, is the reason for the emergence of a big number of organisations which face the problem of stagnation in their work. What we can state for sure in modern working conditions is that only those organisations that have learnt the art of change and adjust to the new conditions imposed by the environment are successful. Nobody can afford behaviour which is not in accordance with the surrounding and the needs of the clients (patients). Also, they have to take active participation in their own development and knowledge about the competition. One of those modalities is for the organization to orient to the needs of the market and to use it as a way of creating long-term competitive advantage.

One of those modalities is **benchmarking** – a technique to increase the success and competitiveness of the organisation in up-to-date working conditions. Daily benchmarking directs the organisation to the way to resolve the problems, improve the processes, techniques, standards and norms.

It is a fact that all organisations have been using benchmarking as a necessary technique since the end of the 20<sup>th</sup> century and beginning of the 21<sup>st</sup>.

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Name it wisdom or common sense! When you study the work of excellent organisations, you get excellent ideas for your own organisation!

*(Gary Mize, Exxon Company, USA coordinator of benchmarking)*

Benchmarking is the ability to recognise that someone is better than us and the readiness to reach and surpass the better!

*Harmon M. "Benchmarking", 2001*

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Organisations must take the following steps in order to be the best:

1. Get to know themselves, their weaknesses and advantages.
2. Understand the work of the leading companies in the field where they want to be best.
3. Use the best resources.



4. Improve those resources continuously.
5. Continuous quality improvement.

| <b>Fields where benchmarking is applied</b> | <b>Characteristics of fields where Benchmarking is applied</b>                 |
|---|--|
| STRATEGY PLANNING                           | Establishing of short term and long term targets of the organisation           |
| PREDICTING                                  | Predicting of trends in relevant fields  |
| NEW IDEAS                                   | Functional learning, innovations   |
| COMPARISON OF SERVICES AND PROCESSES        | Comparison with the competition or organization with the best practice         |
| TARGET ESTABLISHING                         | Establishing of targets in comparison with the level in the best organisations |

In the organisations where benchmarking is practiced, there are some characteristics that differ from those where it is not practised. They are:

| <b>Before application of benchmarking</b> | <b>After application of benchmarking</b>         |
|---|--|
| Lack of inventiveness                     | Use of any good idea                             |
| Only one possible solution to the problem | More alternatives to the solution of the problem |
| The focus is on the internal              | The focus is on the external                     |
| Targets come up from the past experience  | Targets are directed to the best of work         |
| Weak understanding of the market          | Good understanding of the market                 |
| Priorities are internal                   | Clients are the priorities                       |
| “We are good”                             | “We should be better”                            |
| Managing on the basis of experience       | Managing with facts                              |

### 5.1. Idea, definition and meaning of the strategic management

Planning is a key aspect of the management. Basically, it is a process of decision-making through which organisations make decisions about what they want to achieve and how to do it. In this context strategic management has the main long-term role of planning at the level of the organisation or business unity. It is all about organisational targets, policies, and norms. An important role is given to two methods of establishing and improving of the standards of management performances, based on management targets and competencies. Closely connected to strategic management are the management of human resources and participative management. In order to understand some aspects of

strategic management, we shall analyse some categories such as mission, vision, strategy, changes, team work, leadership and time management.

There are many definitions for strategic management, depending on the approach or the aspect of its treatment:

- From the aspect of **decision-making** as a set or complex of decisions. Strategic management is as a set or complex of management decisions which position the organisation in its surrounding, lead the internal activities and establish the long-term working of the organization.
- From the aspect of **surroundings** (internal or external, present or past)
- Under surroundings we mean preconditions needed for preparation of efficient strategic decisions that direct the future development of the organisation. Strategic management is a process of evaluation of the present and future environment, formulation of the targets of the organisation, bringing, realising and control over the decisions connected with the achievement of the targets in the existing surrounding (realization of the mission) and achievement of the targets of the future surrounding (vision accomplishing)
- From the aspect of **phases** through which it is developed. Strategic management goes through the following phases: diagnosis, focus, planning, realisation and evaluation.
- From the aspect of **stakeholders** and the interested **sides** (individuals or groups that influence or are under influence of the organisational management). Strategic management is a process through which the organisation analyses and learns from its internal or external surrounding, establishes short or long-term targets, defines strategies which should help in reaching the goals, analyse these strategies – in order to satisfy the needs, interests, expectations, beliefs of the stakeholders in the organisation. Taking all the previously stated approaches in defining strategic management, one can come up with the following definition: Strategic management is a proactive process of accomplishing long-term compatibility of an organisation in the expected surroundings.

The following may be considered as achievements of strategic management:

- Provides a clear concept for the employees about the organisational targets
- Helps the manager to isolate those elements from the outer environment which are relevant to the activities of the organisation
- Helps in creation of organisational unity. It aligns all employees in the organization to work towards what is of importance to the organization. As its result concepts of the employees at all levels are adjusted in terms of what is of importance and what is not for the organization as a whole

- Provides a logical basis for spending of resources. All new initiatives in the organisation are assessed on the basis of consistency with adopted strategy of the organisation which minimises the possibility of unsuccessful projects
- Makes the organisation more active when the changes in the environment are not clear. It means that an organisation with successful strategic management can make initiatives and can lead. In this way it does not only react or defend itself from the imposed changes but also is proactive in addressing the organization's needs

Strategic management is of special importance to every organization if you have in mind the need for dealing with the problems that exist in the environment. It is a continuous process of building efficient and effective competitive strategies. When forming these strategies it is important to estimate their influence on all the factors of work and the changes they could undergo.

The etymology of the word strategy is in the Greek word **strategos** which means military leader. It is an inevitable part of military doctrine. The experiences were transferred in the sphere of economy and leading of organisations. It is not strange if we know that its roots go back to the military. The connection of strategy and war leading is logical with the events on the market, if we know that organisations are in constant war on the market between them for clients, product prices, services etc. Nowadays, strategy is in context of **big decision-making considering long-term plans of vital importance for the future development of the organization.**

Strategy is a planned action for leading an organisation in a way that will lead to the realisation of the mission targets and achievement of the vision.

Strategic management may be treated as an art and science of formulation, implementation and evaluation of the decisions considering management functions of the entire organisational system that enables the organisation to achieve its aims. This definition shows that strategic management focuses on integration in the management, production or service provision, marketing, financing and accounting, research and development, as well as the aspects of management – information systems for business organization in order to be successful in the working process.

The process of strategic management includes three steps:

- Formulation of strategy
- Implementation of strategy
- Evaluation of strategy

**Formulation of strategy** includes development of the mission, identification of the external possibilities and threats, long-term planning, generating of alternative strategies

and selection or choice of special strategies for further development and work. Issues connected with the formulation of the strategy include decision-making about the innovations that should be incorporated into or taken from the work of the organisation, how to allocate the resources, to keep or cancel some working processes.

**Implementation of strategy** requires annual targets from the organisation, to develop policy and procedures, to motivate the employees and to allocate the needed resources in the way that formulated strategies will be fulfilled. Annual targets and aims are short-term. They are steps which the organisation is to reach on its way to achieving long-term targets. A suitable policy must be defined and system of values must be established in order to achieve this. Policies include directions, rules, recommendations and procedures which have to support the efforts of the employees to reach the targets. Implementation of strategy includes development of culture for strategy support, creation of efficient and creative organisational structure, redirection of the marketing efforts, preparation of suitable budget, development and use of managing-information systems and motivation of individuals.

**Evaluation of strategy** refers to following and monitoring of the results of the formulation and implementation of the activities, including measuring of individual and organisational performances, as well as taking over of correctional activities if needed. The three fundamental strategic-evaluating activities are:

1. Research of internal and external factors which are the basis for the current strategies.
2. Measuring of performance or results.
3. Taking over of correctional actions.

Although bringing good strategic decisions is the main responsibility of the owners of the organisation or the board, managers from all levels and the employees have to be involved in activities of formulation, implementation and evaluation of the strategy. Participation of all involved sides is the key factor for dedication from the side of those who have to perform the needed changes.

Peter Drucker says that the main task of strategic management is to think through the whole mission, seeking to answer the question: "What is our business?" It leads to the establishment of targets and aims, strategy development and bringing of decisions today for the results of tomorrow, or allocating of human resources and money to achieve results which are a reflection of balancing with daily targets, interests and needs with the demands of the time to come. The process of strategic management can be described as an objective, logical, systematic and organised approach in important decision-making in an organisation. Strategic management is based on past experience, evaluations and feelings of the members, meaning that the intuition is crucial in strategic decision-

making. Its importance is especially expressed in making decisions about something which is not familiar, insecure and when there are many variables inter-connected and preconditioned. There is no strategic management without major changes. Nowadays, communication and information technology as well as globalisation are changes in the environment that transform business and society.

**Major steps in the process of strategic management:**

|  |  |  |   |   |
|--|--|--|---|---|
| <p><b>Step 2</b><br/>Direction<br/>of the<br/>organisation</p> | <p><b>Step 1</b><br/>Analyse of the<br/>environment<br/><br/>Internal and<br/>external</p> | <p><b>Step 3</b><br/>Formulation<br/>of the<br/>strategy</p> | <p><b>Step 4</b><br/>Implementation<br/>of the strategy</p> | <p><b>Step 5</b><br/>Evaluation of<br/>the strategy</p> |
|--|--|--|---|---|

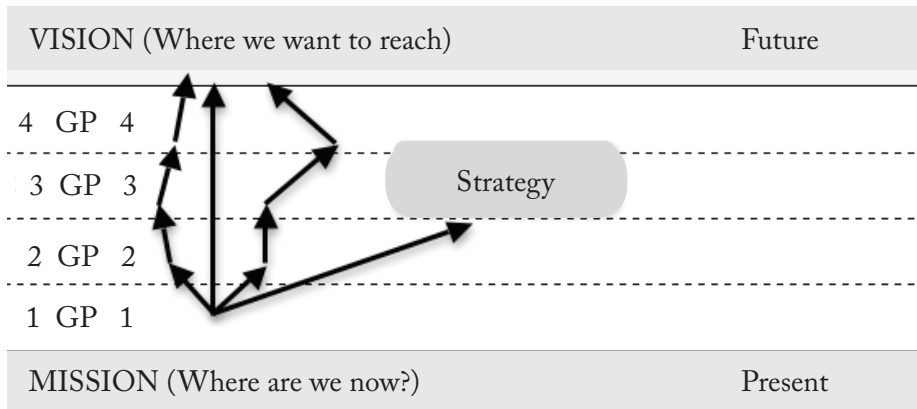
Preconditions for successful strategic management in an organisation are well planned vision and mission. Strategy makers in an organisation estimate the advantages and disadvantages in the organisation and put them in context of possibilities or chances and threats that may appear from the surrounding in order to make appropriate choice of **vision, mission, targets, aims, politics, procedures and strategies.**

Most experts emphasise that good strategic values should be: **innovation, quality, speed, flexibility and continuous improvement.** Strategic management should be aggressive, fast and flexible to the rapid changes.

In the world of business, vision is treated as a long-term approach and new way of reaction to problems. The leader recognises the present situation and sees another path in future, dismissing the one in which things were previously done. He also creatively looks at the parts of the work to be done. Vision should offer inspiration, clearness, challenge and practicality in realization from the organisational side and its individuals.

Vision and mission refer to all the interested sides in an organisation, or “stakeholders”. There are **inner stakeholders** or insiders – the employees, shareholders, owners, managers, trade union and **external stakeholders** or outsiders – clients/ patients, delivery workers, competition, banks, central and local authority and the local environment.

The differences between the vision, mission and strategy are presented in the following picture:



## 5.2. Mission of health and medical organisations

When we talk about organisational mission, it could refer to the kinds of products an organization produces or the services it provides. It also includes the markets it supplies and maybe the way in which the organisation works in the process of meeting the needs of the clients.

The understanding and use of the word mission, in context of any organisation, is not clear to some people, and even causes confusion. Incorrect interpretation of this idea is actually the reason for some problems, not only of communicational nature, but also in the course of everyday activities. For these reasons it is necessary to explain the word mission.

### **Mission is actually the reason for the existence of the organisation**

**Statement of the mission** should clearly present the target. Each organisation should have its own recognisable mission statement which states the targets and priorities of its work. The mission actually reflects the present - where we are, in comparison with the vision which refers to the future - where we want to be.

Although it seems rather simple at first sight, defining of the mission of an organisation, for example health and medical care service or a ward as its part, is not an easy job. It must contain values, beliefs, expectations, and needs, interests of the patients as well as those of the employees. It has to present the real focused target of its existence, how it is formed and the way it works.

It is especially important that defining of the mission should not be right or the privilege of certain individuals in the organisation, but of a heterogenic team which will seriously approach this target. For that purpose an analysis of information is necessary; even a

research could be conducted. It should also be done in order to get some information and to ensure participation of a greater number of interested subjects.

Mission should basically contain concrete action targets. That is why from a defined mission should emerge a suitable statement of mission as an especially important working document of the institution. The context of this statement should be well thought of and complete. The statement of mission should be simple, deductive and direct, to bear strong message and to be promotional. It has to look like a commercial: not too long (30 words at most), but containing key targets of the institution. They are expected to satisfy the needs, expectations and interests of the clients.

The statement of mission should be operational. In other words, it expresses only good intentions. It should be focused on what the organisation really tries to do, but then to do it in the way every individual could say : **This is my contribution to the common target – the mission.**

One of the basic and most common mistakes made by most managers is to make a statement of mission in kind of a heroic sandwich of good intentions and wishes. What is of highest importance is that the mission should function, meaning that its beauty does not matter, but its effect does.

The following components accompanied with suitable questions can be treated as characteristics of an effective statement of mission in a health and medical care service environment:

1. **Patients:** Who are our patients?
2. **Services:** What are our major health and medical services?
3. **Areas:** What region or area does the organisation cover?
4. **Technology:** What is the basic technology used by the organization?
5. **Care for the existence, development and profitability:** What is the attitude of the organisation in connection to the organisational targets?
6. **Philosophy of the organisation?** What are the fundamental beliefs, values, aspirations and priorities considering the organizational philosophy?
7. **The organisational own concept:** What are the advantages of the organization in general and advantages in comparison to the competition?
8. **Care of the public opinion – image of the organisation:** what is the image that the organization wishes?
9. **Harmonized effectiveness of the organisation:** does the statement of mission successfully express the needs and wishes of the main interested sides (stakeholders)?
10. **Quality encouragement:** Does the statement of mission encourage and motivate its readers for action?

The following factors cannot be ignored regarding the mission in health and medical services:

- Equal possibilities and conditions in health protection
- Increasing of availability and possibilities
- Reaching the level of perfection in medical care
- Connection and cooperation with other health and medical services
- Gaining from professional training of the medical personnel
- Modern means and conditions for work
- Healthy climate

It is important to pay attention to the mission statement which should be stuck on a visible place in the building. In that way the employees and the patients are constantly reminded about their role in the mission. Acceptance of the mission is also very important as well as deduction to its realisation by all interested subjects. It is provided in the best way by their participation in the team work for establishing of the mission.

From the aspect of mission, when it comes to health and medical services as non-profit organisations, we should have in mind the fact that they exist to change individuals and society as a whole. The first thing, is to recognise which thoughts function and which thoughts do not function and how to define the mission of the organisation. Its ultimate target is not the beauty of the statement, but its function.

**Note:** mission is all about **establishing of concrete action targets**.

There is one example of a simple and real statement of mission in the emergency ward (room) of a hospital: **Our mission is to provide security for the injured and those in need**. This statement is simple, clear and direct.

Almost every hospital has a mission statement like this one: **Our mission is to take care of people's health**. This definition is, however, wrong. The hospital does not take care of people's health, but for the sick. The people themselves should take care of their health by not smoking, not drinking excessively, going to bed on time, weight control and so on. The hospital is in function when health is damaged. Besides this, another grave mistake of mission statements is that they do not show what kind of activity or behaviour comes out of a mission like that.

Statement of mission should be operational, in other words it is a reflection of good intent. Statement of mission should be focused on what the institution really tries to do in a way that everyone can say: This is my contribution to the common target – mission.

More than a few years ago, Peter Dracker and the executives in one main hospital were thinking about statement of mission in their emergency ward. It took them a long time.



In the end they came to a simple but, according to the opinions of most employees, very obvious statement that the emergency ward exists to provide security of the injured and those in need. In order to do this in a proper way we should know what patients really need, or what “functions for them”. Most of the doctors and nurses were surprised by what came out: **The function of a good emergency ward is to say to eight out of 10 patients that nothing is terrible and wrong and that a good night’s sleep erases worry.** Doctors and nurses are those who provide security.

Making this statement of mission into concrete action means that everybody who comes to this emergency ward will be examined by a qualified person within less than a minute/ promptly. It is the mission; the target. The rest is only practicality. Some people are immediately taken to intensive care, others are taken for through tests, and some are even told: Go home, lie down, take an aspirin and do not worry. If this does not stop, tomorrow call your doctor. However, the first duty is to examine everybody, always and immediately because it is the only way to provide security and trust.

The mission is meant to create a sense of good; almost with divine intervention. The targets are short-time and changeable. The mission if possible should be short, clear, simple and bear a strong message. If new targets and tasks are added, then the old ones are just strongly emphasised. It is important to remember that many things cannot be done without it.

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Example of statement of mission: *Hospital in San Antonio, USA*

Our mission is to offer medical services that enable comfort and curing, initiate trust and courage in the way that our patients, citizens and doctors deserve it.

Example of statement of mission: *Emergency ward of a hospital:*

Our mission is to provide security and quick acceptance of the injured and those in need

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Each health and medical service aims through its statement of mission to show that it is good, that it provides quality medical service. However, what is a good medical institution?

Of course, there is no definition that will explain it completely, neither a good recipe of how to achieve it. The list of the necessary qualities and characteristics of a good medical care institution would be very long, and the order of items different according to the priorities. There are, however, some determinants that are mentioned by most of the theorists and have been proven in practice. According to them, a good medical

care institution is characterised by a clearly defined **mission**, organised in a suitable **statement of mission** which explicitly contains the target of the existence of the medical institution. It contains the key **values, beliefs, needs and interests** of the patients, as well as of the employees. From the statement of mission of a good medical institution we can immediately see that it has its own clearly stated **philosophy of healthcare**. Their philosophy corresponds with the high **standards and expectations** considering health protection and care. Medical service of this kind has strong **support** by the interior side, the employees support each other and the external side as the local and wider community also heartily supports it.

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A good medical institution is an environment of professionals/specialists where quality medical service is provided.

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**What** a medical institution does, does not make it effective, but the **way in which** it does it. In order to maintain this productive process, continuous effort and energy are key. Effectiveness is connected to success, whereas success is connected to the process of development and improvement.

The following may be considered as characteristics of an effective medical institution:

- Use of effective methods and techniques for curing
- Safe, clean and disciplined surrounding
- Climate for great expectations in the curing and prevention
- Persistent follow-up of the well-being of the patients
- Team work

### 5.3. Vision and envisioning medical and health care organisations

Vision without action is dreaming. Action without vision is incidental action.

Vision and action together can change the world (*Joel Barker*)

The term vision has etymological background from the Latin word *visio*, which if translated means something that does not exist, a picture in our imagination, an event which is yet to happen. Actually, it is a word which means foreseeing what is blurred at the beginning; you can see the frame of a picture that becomes clearer with time. Understood in this way, the term vision or visioning relates to a person with supernatural abilities who can foresee the future. However, the key component of vision is not making-up of words for the needs to come of the society. It is a process of creation of the future but undertaking activities in the present. It is the ability to see possibilities. It is clear that vision is what we want to achieve; the established target. Targets should be clear

and possible. On the contrary, vision turns into utopia. The core of every vision is the values, or what we believe in. Values are easy to be established globally, but difficult to make them come true. The established values are to be followed by everyone in the organisation, at any place and any time.

Before discussing vision, we should face the reality of the disadvantages as it has improvement in its basis. Vision is a mental picture of wanted and possible condition in an organisation. Therefore, we have to have established priorities turned into established targets. In order to establish priorities we need to analyse the existing condition on the basis of the previous diagnosis and condition. It means that we have to know where we are to know where we want to be, what we want to do and what we want to have.

Closely connected to the process of visioning is designing of changes. There is no visioning which does not mean by itself some kind of growth or development, which leads us to the need of changing the conditions in all areas of working and living. By the process of visioning we focus and integrate the efforts to conduct the necessary changes. Vision basically goes through two phases: first, **creation of idea**, then **coming true of that idea**.

It is a fact that leadership and vision are two sides of the same coin. Vision is key to the future and the first step to it is to be made by the leaders. They can motivate the other people to follow them. There is no real leadership without vision, or vision coming through without a leader.

There are two possible cases in practice:

- The leader establishes the vision and unites the followers in the realisation of that vision.
- A leader, capable of realising the vision, to be chosen.

It is important to mention that in both cases there is an eclipse, as we talk about leadership style. In any case, the leader has to be capable of uniting the followers around one common vision. It is only possible if his followers are active participants, not simply passive subjects in an active process. Nobody can transfer his vision to someone else, not to force someone to accept the vision. In fact, non-participation in creating the vision is the reason why many “good visions” have not been realised. Proof of this is that many programmes designed by consultants from outside a company have been abandoned. The shared vision is accepted by the subordinates as they feel that they have put in it part of their own vision.

Executives, as managers of modern companies should have a vision about the future, not forgetting the past, especially the tradition of mutual work in the organisation. That mutual, team labour is of importance for many practical reasons:

- Leaves the impression of security, stability and perspectives, that makes people satisfied.
- Represents the basis for strengthening a sense for group identity, closeness between people who work to achieve the same target.
- Represents a good source of accumulated experiences.

**Development and achievement of vision.** Vision development is a process which is constantly assessed, cleared and improved. It consists of many phases, but three of them are considered as key.

The first one is **gathering and filing data and information**, when the necessary data and information from the past and present considering the work in the organisation are taken into account as important for development of the vision. For that purpose, analysis is done of the contexts of the previously made reports, bulletins and other documents which the organisation or any other in charge archive. This phase means practically conducting an analysis of the present situation in order to list the advantages and disadvantages of the organisation, as well as the possibilities and the threats that come from the environment (SWOT analysis).

The next phase is when ideas, attitudes and opinions are generated. In literature this phase is popularly called “**storm of ideas**”. Each team member expresses his or her opinion about the gathered information or data, for certain activities considering the working process of the organisation.

“Storm of ideas” is an approach in resolving issues pertaining to personal wishes, needs and ambitions of every member of the team and the team as a whole. It has to do with meeting the organisational targets in form of priorities for accomplishing the organisation’s vision. The second phase is the basis for establishing the frame of the vision. It is important that the leader in this phase has in mind the generated ideas about the vision that should above all be adjusted with the organisational mission, philosophy and policies. At the same time the ideas have to be real and easy to accomplish.

The third phase refers to **creation of the vision**. After gathering all the relevant data and information about the organisation, trends and movements in the world should be researched in order to get the proper picture of the wishes and expectations of the personnel, their competence and skills, the working plan and activities directed to the strategies to reach the vision.

Reaching the vision is also a process which has several phases, as well as development of the vision. The first phase is **definition of the vision**. The essential importance of this phase is the initial vision-suggestion, which is general and refers to the desired future. It is clear that this statement does not contain the details on how to reach the vision. The

complete definition of vision is actually a list of activities to fulfil the expectations of the vision.

After defining the vision, the next step is making a plan for reaching that vision. In the process of **planning** to reach the vision all available resources are defined, and then the order of activities is made as well as the necessary budget for the realisation of the plan. An effective plan should be flexible, with alternatives to adjust to the changes that may appear during its implementation. To make a schedule for these activities, we should have the following questions in mind offer suitable answers for them:

- When do we have to realize the vision?
- What activities are to be taken in order to realise it successfully?
- How long will the realisation of the project to reach the vision last?
- What resources are necessary?
- What preconditions are needed for the tasks that are realised in the process of reaching the vision?
- What are the priority tasks, targets and preparations?

The schedule includes all the activities that have to be realised in a certain period. The schedule also defines the resources (budget, equipment, people, time) needed for reaching the vision. Establishing of the schedule is an important planning activity as many of the activities are inter-connected and a new activity cannot start unless the previous one is done.

For the successful implementation of the vision, an operational plan is necessary. It is a hard work which demands a lot of time, effort and resources. That is why many leaders are not successful, although they have a good plan. The reason is that they do not know how to implement the plan, they do not delegate authority, do not control what had been done and realised and do not get feedback about it. The key to success is in regular control of the progress and in the identification of the problematic areas in the working process. An operational plan for every activity has to be made as well as the budget. It has to be made regularly, to control it and to assess it, according to the established standards and criteria. Finishing of the process is supposed to provide the experiences that will be of use for the coming generations. These are: Establishing very problematic areas, how to solve the problems, which new or improved techniques were used in the process of managing etc.

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To be a leader with vision is not only making speeches and inspiring the masses.

To be a leader with vision is a job of resolving everyday problems with vision in front.

*(Bill O'Brien)*

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There are two possible energy sources that can motivate the organisations to direct themselves to vision creation: **fear and expectations**. Forces of fear cause negative visions, carrying messages of incapability of the people and about what we do not want to happen. These visions are short lived and the organisation and the individuals are motivated as long as there is a threat, but then the energy disappears, together with the vision. Forces of expectations carry positive visions that move forward.

Vision can be defined as a projection of the future, the desired picture of the medical organisation. It answers the question, 'What is the organisation supposed to be like in a certain period?' It is vision of a medical organisation for some time in future from doctors' point of view, that of the health and care management, the nurses, laboratory technicians and that of the representatives of the local community.

**Vision** should be:

- **Shared** – which would ensure everyone's engagement towards the common target;
- **Real** – accomplishable, within reach;
- **Time framed** – there should be time distance between present and the vision (3 to 5 years usually);
- **Concise and concrete** (to carry a message) – formulated in 2 – 3 sentences, like a commercial;
- **Challenging** – to cause effort and persistence at each of the participants;
- **Directed** – to be direction for certain strategies and to lead to the established targets and tasks;

#### 5.4. Targets

The foundation of every mission and vision are the targets. Targets deepen the meaning of the defined mission of the organisation. Targets can be considered as conditions or situations where the organisation wants to be or the results it wants to achieve.

Nowadays, in time of great complexity and turbulence of the environment in which organisations function or realise their mission, targets are of special importance as primary planned actions that coordinate and direct all the organisational activities. The basic characteristics of the targets are time and space dimension. Establishing and defining of the targets depends on systematised internal factors of the organisation, on its advantages and disadvantages, as well as on the external factors of the surrounding of the organisation. They may also depend on the potential chances or threats.

Classifying of the organisational targets can be done in different ways and according to different criteria:

1. According to the organizational level and the planned time, there are
  - Strategic organisational targets – long term
  - Tactical or sectional or functional targets – mid term
  - Operational or supervising targets – short term or going on
2. According to the abilities for quantification, there are
  - Quantitative targets (size and kind of the medical care services)
  - Qualitative targets (managing personnel development, satisfaction with the employees, the working moral, satisfaction of the patients)
3. According to the hierarchical level, there are
  - Immediate or main targets (goals)
  - Prompt or specific targets (objectives)
4. According to the level of social responsibility, there are
  - Economic targets
  - Targets connected with the care of patients
  - Targets connected with the care of employees
  - Targets connected with the responsibility about ecology
  - Targets connected with the responsibility to the society in the most general sense of the word

Corporate or organisational or strategic organisation targets are established by the top managers in the organisation and they define the global targets of the organisation with long-term character.

Tactical, sectional or functional targets are defined by the top or middle management and they are directed at achievements on the level of sector or a functional unit in the organisation. They may be considered under a working name as working oriented targets and are principally mid-term targets.

Operational or supervising targets are established by managers of middle or first level and they define the specific targets for achievements on the level of a department or individual targets of the individual employees. These targets, are often considered as task oriented goals and are short-term by nature.

At this point we can conclude that priorities and structure of the goals depend greatly on the character and the specifics of the organization. Goals come from the priority needs. They are dynamic and often formulated by gerunds, such as: **increasing, improving,**

**progressing, advancing, strengthening, enabling, establishing, developing, and building.**

Of importance to organisations is that the established goals should be reasonable or rational goals (SMART)

- S- pecific - clearly established
- M- easurable - measurable, quantified
- A- ttainable - within reach, real
- R- esult oriented - challenging, directed to result achieving
- T- ime bound - time framed

The effective (resulting) and efficient (working) defined and established goals become the means and criteria for formulation or choice for suitable strategic options and alternatives, as well as for their conduct in order to realise the mission and vision of the organisation.

The relationship between the goals, tasks and activities is key to their definition or planning, as well as during their realisation.

### **Concretely**

We shall at this point present an example of a medical care unit considering mission and vision, as well as the values they rely on.

### **Mission**

Our mission is to offer medical and health services that enable our clients to get comfort and cure, establishing confidence in our services which deserves support by our community, our patients, our doctors and our employees.

### **Vision**

Our vision is to maintain the tradition of the best hospital in our community, to be selective in our choice of services, thoughtful in our investing in resources, firm in our sense of belonging to the community and strict in our attitude about the quality, care and honesty.



## Values

Our values are our main/crucial component that emerges from our community, strengthened through the services which are basic for our goal.

- **Respect for the tradition** – in order to maintain standards and ideals.
- **Paying attention to details** – to provide quality in everything we do.
- **Tendency to establish balance** – because of the general impression of the patients.
- **Condolence/mercy** – in comfort and care for the patients.
- **Persistence and follow up** – in the decision making.
- **Persuasiveness** – in the working process , acts, deeds.



## Revision questions

1. What is the difference between a strategic plan and an operational plan?
2. What is the importance of having a strategic plan in an organization?
3. Discuss the vision and mission of an organization you know. How does the organization live to its mission?
4. Discuss the issues a manager must consider in making a strategic plan.
5. How do values enhance the organization's performance?

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## 6.

# Leadership as a modern approach in management

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The potential of a company depends on the people, its moral depends in the relations among the people, its direction on its vision, its success on its leadership. *(John C. Maxwell)*

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The future and present of an organisation impose the need for real leaders, in comparison with the typical managers. Proactive leaders are needed, visionary leaders, great motivators and experts in communicating. “The one who is capable of successful managing is not only a manager, but a leader too. Leadership can be learned. Being a manager is not enough. A manager has to know how to direct people. Not only is there competition, but also cooperation. Instead of secrecy, it transfers to common use of the needed information. Instead of passive waiting they take over risks. Instead of taking people as a burden, they become treasures of the company. In their lives people can go from dissatisfaction to satisfaction from the achieved results. From apathy into active participation in the events, from unsuccessful into successful”, says John Rampey, director of a section for development and management in the company “Milliken Company”, which is one of the leading textile manufacturers.

When talking about leadership, we can begin with one rather useful and clear definition which says that **leadership is conducting behaviour which helps the others to achieve the planned goals** (Whitaker, P. (1995) *Managing change in schools*, Open University Press, p. 72). Of course there are many other definitions and approaches considering leadership. According to Tanenabum, Veshler and Masarik, leadership is defined as **“interpersonal influence which is directed to certain situations through the process of communication, intending to achieve certain aims.”**

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Winston Churchill characterises leadership as “intelligent use of force”.

“To be a leader means having firmness and decisiveness” – wrote Leh Valensa.  
– “It means to be decisive inside and outside, towards yourself and to the others”.

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The goal of leadership is to develop a sense of belonging to the organisation and the common values and ideas which are a source of authority for everything that has to be done by the others. Leadership means vision, encouragement, excitement, love, trust, liveliness, passion, obsession, persistence, dedicating attention to the working schedule, never ending drama, and excitement at all levels, teaching of others, browsing of the environment and many other things. Leadership must be present at all levels in the organisation - Tom Peters & Nancy Austin (Fiona Elsa Dent: Knowledge of Leadership, Narodna biblioteka Srbije, Beograd, 2006, page.6).

According to Stogdill, leadership is a process of influencing conduct in the working process in an organised group, in its bid to establish and accomplish certain goals. It is interesting to mention the statement of Peter F. Drucker that efficient leadership is not about making speeches or to be loved. Leadership is determined by results, not attributes.

## 6.1 Leadership theories

Throughout the centuries, people have had different perspectives on how people become leaders.

### **The Great man theory**

This was prevalent around the mid 1800s – early 1900s. It postulated that leadership was based on kings and being born into leadership. The theory ignored great women such as Joan of Arc and Catherine the Great who were great leaders. One of the possible reasons for upholding such a theory could also have been that scholars studied people who were already great leaders; mostly aristocrats. This theory led to belief that in time of need, a great man arose e.g. Moses, Churchill etc. They assumed that leaders are born, not made and that leaders have natural abilities of power and influence.

### **The Trait theory**

This was prevalent around 1907 – 1947. It upheld that people are born with inherited traits. A leader has superior or endowed qualities and certain individuals have a natural ability to lead. Leaders have traits which separate them from followers. Some of the traits said to be found in leaders were:

- Adaptable to situations
- Alert to social environment
- Ambitious
- Assertive
- Assumes responsibility
- Cooperative

- Decisive
- Dependable
- Dominant
- Energetic
- Persistent
- Self-confident
- Tolerant

Many scholars agree on the saintly qualities needed to be a leader. The problem, however, has been identifying characteristics that differentiate leaders from people with the same traits who are not leaders. There are thousands of people who possess these traits. Situational factors have been considered more realistic as reasons for people acquiring leadership positions.

### **Behavioural theory**

This theory prospered around 1950s and 1960s. The proponents of this theory postulated that leaders can be made, rather than are born. Successful leadership is based on definable, learnable behaviour. There is a best way to lead, “the best way approach”.

The behavioural theorists concentrate on what leaders actually *do* rather than on the qualities they possess. The theory opens opportunities to many of those who may have never been leaders. It seems to answer the question: “What are the different styles of leadership and how effective are these styles?”

### **Situational theories**

Proponents of these theories hold that leadership is based on the situation in which it is being exercised. They hold that leaders act differently depending on the situation. The situation determines who will emerge as a leader. Different leadership behaviours are required for different situations. There may be different styles required at different levels in the same organization. These theories bring out the influences on the leaders in their decision making by:

- 1) Forces in the situation.
- 2) Forces in the followers.
- 3) Forces in the leader.
- 4) Importance of the task: in critical conditions, a leader may be directive in style due to failure implications.

## Reciprocal theories

The proponents of these theories were very active from 1978 to the early 21<sup>st</sup> century. They stress that leadership caters for mutual goals of leaders and followers. Leadership is a relational process. There is emphasis on followership whereby the leader is a leader as long as the leader has followers. People are motivated by reward and punishment and hence a leader needs to balance these in his or her followers. The prime purpose of a subordinate is to do what the leader tells them. People will follow a person who inspires them. However, human beings are not simply motivated by money and reward. Such evidence was based more on experiments in animals in a laboratory set –up. Life is more complex with emotional and social intricacies.

### 6.2. Leader

Each organisation has its own leader and its own business environment. **A leader** is the one who has increased work burden, the one who is permanently in the fight for survival of the fittest, involved in uncertain deals, a person who must be broad-minded and has to improve and develop.

**An organization** is characterised by (Fiona Elsa Dent: Art of Leadership, Narodna biblioteka Srbije, Beograd, 2006, page. 18) :

- Focus on the clients/patients
- Authority
- Need for quality and profitability
- Seeking for outer sources
- Function-crossing
- More team work
- Less hierarchy

Each organisation has its own **business surrounding**, which nowadays is characterised by:

- Uncertainty
- Complexity
- Stronger competition
- Effects that come from technology
- Pressure from the surrounding
- Need for organisational responsibility

There are three levels of leadership: **strategic leader, operational leader and team leader.**

- **Strategic leader** – leader on top of the organisation, responsible for a number of organisational functions, people working on those functions as well as for

the contribution in making of the most important decisions (e.g. director of a hospital)

- **Operational leader** – leader responsible for functioning of a whole sector or department, for all people in that sector as well as for the contribution in making of decisions closely connected to his or her specialty (chief of a department)
- **Team leader** – a leader who acts on the level of a team and is responsible for the people working with him/her as well as for the tasks that are of mutual responsibility.

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There are four crucial elements for each leader:

Leader = Character + Wisdom + Courage + Influence

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Character enables the leader to do the **right** thing even when it is difficult. It is what a leader's life is based on. The character is the beginning as leadership is founded on confidence. The character by itself means **credibility**, which is important for building of respect (attention). It produces **consistency** (persistence), which altogether enables building of **trust** into the leader.

Visionary traits enable the leader to **see** and **understand** what has to happen in order to achieve the organisational goal. Good leaders equally see the big picture and the smallest process. All successful leaders first choose their **vision**, determine the goal, and then choose their **strategy**, determining the path towards the goal. In the end they choose the needed resources, which will help them conduct and realise what they mean.

Courage is what enables the leader to **begin the initiative** and to **take over risks** in order to step towards the goal. Courage is the most important human quality because it guarantees all other qualities. Courage is visible on **direct contact** of the leader with the situation. It leads to the initiatives and doing what someone else would not dare. Courage is the **vision** in doing and enables **taking risks** and revealing of those things which are crucial for achieving of development.

Influence enables the leader to **attract and encourage** the others to join him in reaching the cause. The real leader should have “a compass in his hand” and “magnet in his heart”. Some of the key concepts that the leader has to accept are:

1. Communication
2. Motivation
3. Delegation
4. Confrontation
5. Creation

A person needs the following in order to promote himself as a leader:

- **Character** – the leadership always comes out from the integrity and the inner force that the person owns
- **Ability to build good relations among people**
- **Knowledge and information** – knowledge by itself does not make someone a leader, but there is no leader without knowledge
- **Intuition and ability to make decisions in unfamiliar and problematic situations**
- **Experience and**
- **Former successes** – gives sense of security to the followers.

Every leader has a story. Successful leadership cannot be copied or imitated. Qualities of the authentic leader are:

- Understanding of his/ her role
- Working on a foundation of solid values
- Establishing quality relationships
- Practising self-discipline

These qualities cannot be reached in some given period of time. These are qualities the leader gains during his work, experience and his whole life.

In order to establish good relations among the employees, leaders should be prepared to use the following phrases and words in their speeches:

I admit that I made a mistake.

You did a great job.

What do you think?

If you would like....

Thank you for the....

We.....

I.....

Leaders are proactive people, meaning that they have and show initiative and responsibility. Many researchers have shown that **confidence** and **firmness** are the most important qualities in every leader.

Key characteristics of good leaders include: self-confidence, self-awareness, security, openness to change, visionary, adjustability, credibility, communication skills, ability to make decisions, analytical mind, political consciousness, energy, sympathy for the others, strategic skills, openness and an open mind.

If you want to be a leader whom people will follow, you have to:

- Make people feel important.
- Present the goals clearly before your followers.
- Treat others as you want to be treated yourself.
- Take responsibility for your acts and those of the group.
- Pay respect in public, criticise when alone.
- Criticise in “sandwich” (the criticism should be put between two good things).
- Supervise and be ubiquitous (available when needed).

Each leader has his own **leadership mark, seal or image**. The followers have certain expectations from the leader. Those expectations may be divided into four main categories: (Fiona Elsa Dent: Art of leadership, Narodna biblioteka Srbije, Beograd, 2006, page 61).

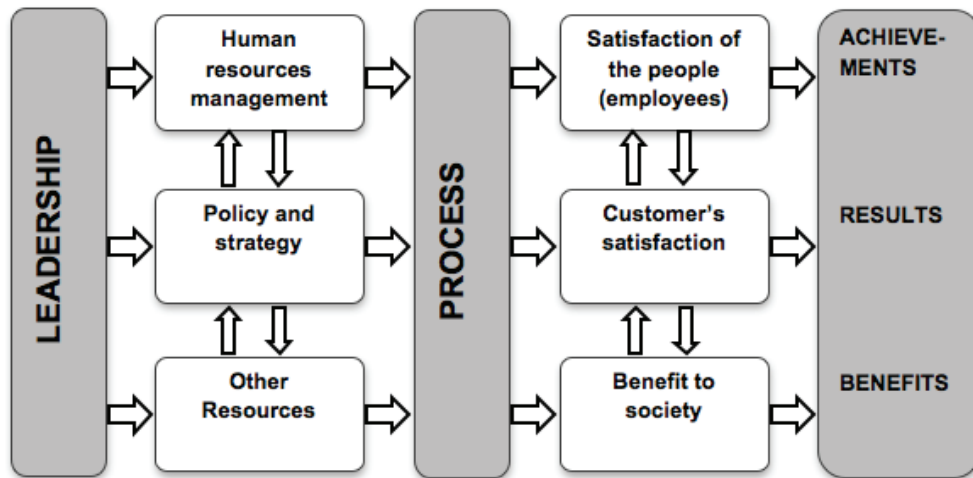
1. **Enthusiasm** (sincere interest and effort) –someone who shows dedication to work, energy and inspiration above all.
2. **Worthiness** - the followers have to feel that the work they do is really worthy. They want their contribution to be felt deeply.
3. **Respect/importance** – everyone wants to be respected and the followers want the leader to show personal interest in them and sincere dedication.
4. **Sense for the group** - the followers need to feel as part of the whole, not only as a screw of the machine, but as an important part of the whole, good working machine.

Recent views on leadership have changed: years of lonely heroes have passed. Nowadays it is more important to understand that those who work for you, or consider you as their leader – your followers - have a positive attitude towards you. Successful leaders should be available and communicative to their followers. Typical ways to encourage and involve the followers include:

- Regular time when the followers can talk to you, or having and promoting an open door policy (a day or weekly schedule).
- Discussion outside the office – when the leader leaves his or her office and tours the employees in their offices.
- The leader has to remember the names of the employees and working tasks.
- Regular transfer of information to the employees.
- Celebration of the successes together with the followers.
- To be able to feel the right time for unpleasant information and the way it is to be communicated.

The role of the leadership in relation to all the participants in the organisation and out of it, on the working process and the working results can be illustrated in the following model:





### 6.3. Leader versus manager

Often we face the question: “Are all managers leaders?” The very fact that you are responsible for other people does not entitle you with the status of leader. Organisations need managers as well as leaders – although they are the same sometimes. Many managers will never make progress as leaders, while many leaders are hopelessly bad managers. Both leaders and managers have special roles nowadays in the business sphere, although these two roles are not same.

The most important differences between leaders and managers are:

- Managers will be given a position and will have opportunities to develop their skills as leaders, as well as to be recognised as leader, while....
- A Leader is recognised by people that surround him/her as someone who has taken them into a certain situation, no matter what his/ her official role is.

### Comparison between management and leadership

| Management  | Leadership    |
|-------------|---------------|
| science     | art           |
| objectivity | subjectivity  |
| head        | heart         |
| efficiency  | effectiveness |
| present     | future        |
| order       | change        |

| Management | Leadership |
|------------|------------|
| security   | risk       |
| planning   | directing  |

(Source: Mileham, P. & Spacie, K. (1996) Transforming Corporate Leadership, London: Pitman Publishing, p.18)

According to the previous table, it is clear that the **manager works in the system and the leader works on establishing the system.** The presented differences tend to emphasise the understanding about the essence and meaning of the human and interactive aspects of the organisations. Management activities are necessary to maintain functioning of the organisation, efficient fulfilment of plans, sticking to the procedures and effective goal reaching. Leadership takes care to provide conditions where all members of the organisation will be able to do their best in a healthy climate with a sense of belonging to the organisation and challenge to achieve better results. Management enables the organisation to function, while leadership helps it to reach its goals.

Changing the concept or paradigm about management towards the ideals of leadership, viewed from the aspect of its status and the specific role of the organisation, above all is a result of the need to affirm some modern approaches and tendencies, such as interactivity, team work, collaboration etc. Leadership, more than management, has got the key to success as it is a function and possible opportunity of all participants in the organisation, not only of individuals. We all have the capacity for leadership and practise it in many aspects of our life and work. Leadership is dynamic and future oriented, with permanent concern about improvement, development and perfectness. It creates a frame in which these potentials can come to surface more effectively.

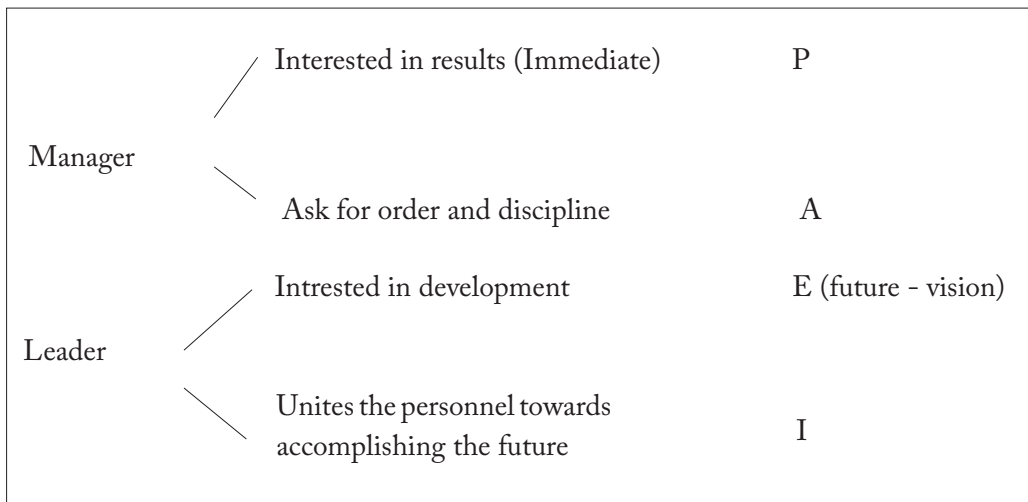
As the difference between leadership and management has been made, we shall now mention some comparisons considering the fact that in certain situations there is need for both a manager and a leader. The manager, for example prefers subordinate structures and established ways of behaviour and communication, while the leader prefers individual and interpersonal behaviour. The manager is preoccupied with the day-to-day functions, while the leader is focused on the future. While the manager seeks mechanisms to follow to achieve results, the leader seeks change and development with emphasis on the quality of work. We can generally conclude that the manager attends to the efficiency of work, while the leader to the effectiveness. In order to avoid misunderstanding, it is important to emphasise that successful managers are not only efficient but also effective, as well as the good leaders.

According to Benis (Hughes, R. Ginnett, R. and Curphy, G. (1996) Leadership, IRVIN Book Team, p. 16), there are some differences between managers and leaders. While

managers administrate and maintain the situation, the leaders initiate changes and aim for development. Managers prefer control, leaders inspire.

The main goal is not to be a manager or leader exclusively, but to know how and when to be an efficient manager and when to be an effective leader. In most of the organisations these functions are combined in separate roles and responsibilities, but it is important to be conscious about the important difference between the manager and the leader.

The next comparative presentation illustrates the essence of the two ideas - manager and leader, as well as the difference between them:



We should mention that by P,A,E,I are marked the four styles of behaviour of individuals, according to Adijes:

P – type, directed to creation of product or result.

A – type, directed to creation of order in the working process – administrating.

E – type, directed to generating of new ideas and changes – entrepreneur.

I – type, directed to integrating or uniting.

(Source: K.Petkovski, Leadership and Effective Communication, Kiro Dandaro, Bitola, 2000 page 60)

If a manager wants to become a leader, he or she has to follow five principle actions:

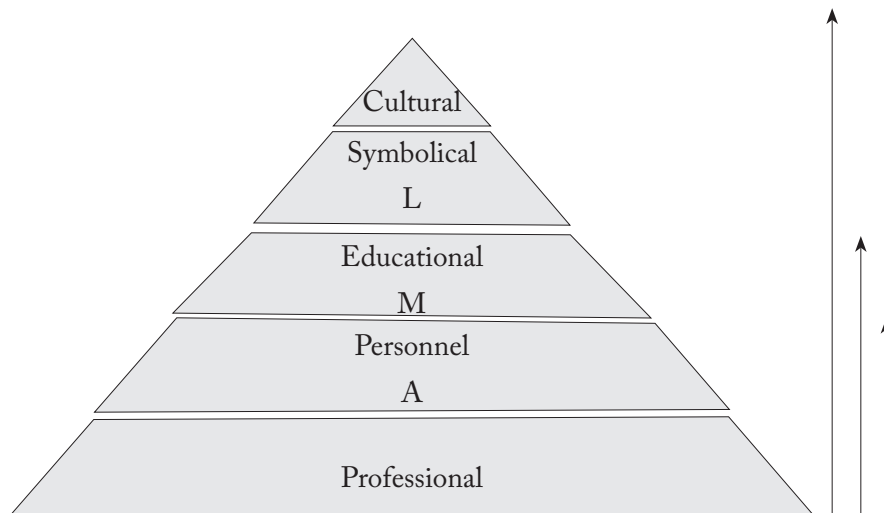
- **The leader causes a process** – he is a pioneer and innovator and that is why he inspires individuals with ideas.
- **The leaders not only create but also share the vision with the others** – they are enthusiasts.
- **Leaders enable others to work** – they are good for team work.
- **Leaders modify ways** – they show how to behave in conducting of strategy.

- **Leaders motivate working with heart** – they appreciate and celebrate important accomplishments in conducting of strategy.

### 6.3. Director as a symbol and the characteristics that define his behaviour

The idea of a director should be understood as a function one performs in an organisation, and as a title a person holds in line with a role they play at a higher management level. Performing this function, the director is by the very nature of things a manager, because every day he or she does some of the managing functions or plays some managing role. We should mention at this point that we talk about legal right, meaning that the person is imposed on the function of director by some organ. It would be wrong to believe that by imposing the person on the function he or she also becomes a leader in the organisation. Some directors never evolve into leaders. It is all right to say that there are different individuals playing the role of director, with different abilities and skills, which differ by their style of behaviour. For example, the director should comprise several specific characteristics. According to Sergiovanni (Ubben, G. & Highes, L. (1991) *The principal, Creative Leadership for Effective Schools, USA: Allyn and Bacon, p. 22 – 24*) there are five characteristics of importance that every successful leader should have: professional, personnel or human, educational, symbolic and cultural.

#### Characteristics of the director



- L - Director leader
- M - Director manager
- A - Director administrator

The basic trait each director should have is **professionalism**. In other words, it means that he has to own, in comparison to the other employees, greater knowledge and better skills in the field of the organization where he is director. All directors should analyze well the whole working process in the organization, to cooperate actively with all the relevant subjects in it, and to go on professional training if necessary. Professional characteristic is desperately needed for a director to impose his authority in his working environment. His professional expertise leads to respect by the employees and strengthens the trust they have.

The second characteristic is **personnel**. It requires from the director to be successful in choosing the personnel as well as during the new employments putting the “right” people to the “right” positions. This is especially important for building good relations among the employees which lead to good organizational climate. This is a characteristic owned by people who are good communicators, honest and righteous. As it refers to work with people, in literature this characteristic is called humanistic, by some authors.

The needs for organizational development demand from the director to approach carefully to training of the personnel, meaning that he has to have the **educative** characteristic. It means that the directors, as good professionals, should train the employees to take care of their professional development. In every day praxis, by transferring their experiences, by paying attention to mistakes and by the way they work they will constantly support the employees to improve in their profession. The degree of development of this characteristic determines if the director is going to overcome averageness and will arise from his surrounding as a positive example for the others to follow. These are the beginnings for him as a leader to be a symbol in his surrounding.

**Symbolical** characteristic is typical for the successful directors. These are directors who by the achieved results, affirmed the organization outside its frames and worked on the image. For a director is said that he owns this characteristic when while mentioning “his organization”, the first association is his name and vice versa. This characteristic is typical of directors who are good communicators not only in the organization, but also in the close and wider surrounding. At this point we talk about people who through effective communication establish suitable relations with the public by public appearances in the media, press conferences, congress presentations, conferences and seminars.

On the very top is the **cultural** characteristic. The importance of this characteristic is seen in the fact that organizations led by a director with characteristic like this one have their own recognizable organizational culture as a way of working and living as well as behaving of each member of the organization, at any place and any time. Now we talk about recognizable surrounding with its tradition, recognizable product or service, with established system of values, beliefs and expectations. It is also important that directors

with a characteristic like this one not only create organizational culture but also can change it according to the imposed needs and working conditions. Visionary directors who lead the employees to reaching of better working results and living conditions have to have this characteristic.

We should mention that this approach enables possibility to see some separations between the ideas of manager and leader connected to the idea of director. Directors of administrative type have the professional characteristic and some of the personnel. Directors of the managing type have professional and personnel characteristic as well as educational characteristic. However, more profound and more sophisticated approach to the issue of training as part of the educational characteristic have those directors who prefer to be leaders in their surroundings. Symbolic and the cultural characteristic just add on.

The employed in an organization expect their director to be successful, meaning rational, pragmatic, practical, efficient and effective at the same time, meaning qualitative in leading of the organization. (K.Petkovski, Leadership and Effective Communication, Kiro Dandaro, Bitola, 2000 page 63)

### **Efficient and effective directors should**

- CARE more than the others think is WISE
- RISK more than the others think is SAFE
- DREAM more than the others think is PRACTICAL
- EXPECT more than the others think is POSSIBLE

### 6.4. Laws for leadership

Every leader is expected by his associates to achieve results and to lead the institution in a way that provides trust and security. For that purpose, leaders should take care of some important items which can popularly be named postulates or laws. As we speak about laws, leaders should respect them if they want to be real leaders and truly successful.

**Law about results** – Results of every individual depend on: his intelligence, talent, effort and the level of leadership abilities he has.

**Law about influence** – if you are not able to influence other people then they cannot follow you. If they do not follow you, you are not a leader. Real leadership means ability and capacity for creation and conducting of changes.

**Law about a process** – leadership is developed every day, not for a day. It is like successful investment on the stock exchange. If someone believes that he can become rich in a day,

he is wrong. There is no fortune with one successful transaction as well as there is no leader with one good move. It is necessary to know the events on the stock exchange from day to day for a longer period, so that he knows how to behave in relation to the changes.

**Law about navigation** – the essence about this law is that when you are well prepared people believe you more. Leaders clearly see their paths to the goal, they have vision and know what they need to come to the goal. They work as a “compass” and people like to have someone they can trust. Before bringing the decision and taking people to some direction, leaders analyze the previous successes and failures, gather information, tend to make balance between optimism and realism, intuition and planning, expectations and facts.

**Law about authenticity** – many leaders who have formal leading positions expect to be followed. It does not happen simply because they are not authentic leaders. People can act nicely to them, can be scared of them, but will not follow them. The difference between someone who is in a leader’s seat and the authentic leader is that people want the authentic leader to say what he thinks, not the one in his seat. When the authentic leader speaks everybody listens.

**Law about trust – the character makes trust, trust makes the leadership.** Trust is not made with stories but results, good decisions, by admitting own mistakes, sincere care about other people you work with. If the leader has strong character people trust him, followers have faith in a future for themselves and for the whole organization.

**Law about respect** – people follow the leadership they respect and which gives them confidence and security.

**Law about intuition** – principles of leadership are unchangeable. However their use changes depending on the situation and the leader himself, which requires intuition and taking into consideration some other factors which are not visible but the leader has to rely on. Intuition is what makes the difference between the top and the good leaders. The best leaders see what the others do not. They make changes when the others have no clue what had happened.

**Law about magnetism** – people attract other people who are similar to them. The law about magnetism is very strong and can work for or against the interests of the organization, which depends on the leader at the head.

**Law about connection or empathy** – when you lead yourself use you head, when you lead other people do it with your heart. If you want to take people into action you have to induce their emotions first. Leaders with credibility have abilities to communicate directly with the followers and to show their care about them in that way.

**Law about the right moment** – the real leaders know the right moment to take initiative. Every action or initiative should be treated according to its character and timing.

## 6.5. Model of leader's personality from five dimensions

According to Robert Hogan (Hughs, R. Ginnett, R. and Curphy, G. (1996) Leadership, IRVIN Book Team, p. 172) the idea of **personality** is rather ambiguous and has got at least two different meanings. The first one is about the impression that one leaves on other people. This point of view emphasizes the social reputation and does not reflect only the general impression but also the value one has in eyes of other people. When we say some of our associates are selfish, weird or plain, for another one they are openhearted, polite and merciful, then we evaluate their social reputation or we form public opinion. This principle of evaluation of personality is based on public information that can be easily confirmed or rejected. In this context, many researches show that observers show higher level of agreement when they state some general patterns of behavior. The second understanding of personality emphasizes the “invisible” structures and processes “inside” the person which explains why some people act in certain way or why certain people behave relatively same in different situations but differently from the others.

Although each of these approaches enables useful perspective in personality or its individuality many of the researches considering the connection between the person and the successful leading of an organization are based on the approach of characteristics. This emphasis in this case is correct. Characteristics, or personal marks, refer to those things that repeat or tend to be an individual's behaviour of the. This approach shows that people are in favour of the behaviour which emerges as a result of the strong characteristics that they have.

In order to be able to research the needed qualities that are essential for a successful leader we need to see the basic structure of a person who is characterized by his/her: abilities, temperament, character, will, interests, attitude, physical characteristics.

Accepting the approach for influence of the characteristics on the personality does not mean that they are the only triggers of the behavior. On the contrary, this approach confirms that behavior influences interaction between personality and different situational factors. Characteristics play extremely important role in determent of the way in which people behave in non-typical, unknown and ambiguous situations. On the other hand, situations that are handed by clear, special rules, demands or organizational politics, often minimize the effects that characteristics have on the behavior of certain person. Pattern of personality contains these five dimensions: **influence, confidence, pleasure, adjustability and reasonability.** (Hughs, R. Ginnett, R. and Curphy, G. (1996) Leadership, IRVIN Book Team, p. 176 – 179)



**Influence** or the ability to command or give orders is connected with the behavior that unites and influences people. Persons who prefer higher degree of commanding have energy to unite people and influence them. Persons with low ability to command prefer to work alone and are not interested to influence other people. Influence is consisted of two characteristics of the person: **dominancy and socialization**. Dominancy is defined as a degree to which someone wants to control or influence other people. People with higher degree of dominancy seek position of authority, prefer to lead, try to compete, unlike people with lower degree of power to command who prefer to follow orders and are afraid of competing. Persons with higher level of socialization are sociable, while those with low degree of socialization do not initiate conversation but make good listeners. Positions that can make use of influence are: management, army, law, trade, public relations, customer service and politics.

**Confidence** is connected with behaviour to do with execution of the tasks, trust or working according to the rules and politics. People with higher degrees of confidence are good planners, they are hardworking and rarely get into trouble. People with lower degree of confidence are not organized, do not have self-confidence and often face problems. Confidence is consisted of four characteristics: **aiming towards the goals, agreeing, organizing and credibility**. People who aim towards the goals are ready to invest extra effort to do the job. People with high degree of agreeing rarely or never break the rules and do not take risks. On the other hand, people with lower degree of agreeing are aggressive. People with high degree of credibility keep the promises, while for those with low degree there is no deadline nor confident information. Confidence is a very important component of success in every profession.

**Pleasantness** is connected with cooperation. Person who is highly pleasant is warm, open hearted, approachable while the other is cold and dark. Pleasant personality is consisted of three characteristics: **optimism, empathy and popularity**. People who are highly pleasant are optimists, rarely get into quarrels, those who are not are pessimists, hard to approach and cold. People who care about problems of the others have high scores of empathy, while people who do not get into problems of the others are said to have low score of empathy. People who easily make friends have wide circle of friends with people who are highly popular.

**Adjustability** refers to the way people react in stressful situations, during failures or personal critics. This dimension is consisted of **emotional stability and self-criticism**. People with high emotional stability rarely lose control, while those who are emotionally unstable constantly complain on the situation, criticize the team members and emotionally break out. Adjustability as a dimension can be useful for managers, policemen, teachers and the army.

People with high level of **reason** or intelligence are imaginative, curious, like travelling, researching, they are interested in sport, art, films etc., while people with low level of intelligence are narrow-minded, do things they have already done and do not want to experiment.

The whole amount of sympathy in the leader comes from:

- 55% Mimics, looks, clothes, behaviour
- 38% Expressions, modulation
- 7% Word context

## 6.6. Some characteristics of successful leaders

It is true that leading skills can be learned. It is also true that there are some characteristics typical for those people who have proven themselves as successful leaders in any field. As Lesley Bitel says, leadership is determined by several components: (Bitel L.: Leadership and managing technics, (1997), Clio, Belgrade)

- Assurance of the followers that their effort will pay back.
- Confidence of the followers that they can do what they are asked to.
- Trust of the followers that the pay-back mainly suits to what they need.

It clear that it is not easy to meet the challenge of being a successful leader. It demands sticking to high standards of living and working.

Successful leadership demands a leader with strong personality. People understand and interpret this term in different ways, although in general it is all about set for characteristics that make one person more attractive than the other. These characteristics are: ability to cope in difficult situations, ability of empathizing communication and coping (getting along with other people), ability to soften the consequences from conflicts and relax the tension.

Successful leader is a well-educated person with personal culture. Solid knowledge and being informed builds the confidence in what is being done and is attractive to other people. It is one of the components that make the picture of a modern leader and his personal culture in different domains of life. The complete appearance, behaviour, manners, way of speaking, eloquence and public appearance make his charm wherever he is. We should add to this the high and strict ethical standards and norms.

All those people who have proved themselves as successful leaders have one important characteristic in common, which is **persistence**. There is a famous example of the successful businessman Alfred Roach who stuck the famous motto: "Nothing in this world can replace persistence. The world is full of educated people who gave up". Persistence as a characteristic is in direct relation with the energetic capacity of each individual. It demands desire and dedication.

Successful leaders are **creative** and take **initiative**. Only proactive people, flexible, responsible and courageous people can achieve success. Readiness to take risks is key to the success. This is a characteristic of visionary leaders.

**Self-confidence** is necessary in order to achieve goals and overtake difficulties on the way. Self-confidence is only one in line with the rest of the characteristics that separate the leader from the rest of the population. According to the highest human motive, self-actualization is a tool that leaders use to affirm themselves in their environment. Self-confidence comes with the time, by fulfilling goals based on realistic basis. Real-confidence is belief founded on knowledge, visionary and working success which has been proved. It is confidence in one's own attitudes, goals and programs that are real directions leading to solution of the actual problems.

Successful leaders are believed to be courageous people. **Courage** is ability to take over well thought of and planned action in order to achieve the desired results and to face the challenges of life and business. Facing challenges and problems demands decisiveness, courage, firmness, dedication and very often personal sacrifice. Decisiveness to reach the desired goal, to follow the vision, to overcome moments of crises asks for courage which followers recognize and identify with.

There is no successful leadership without will. Will is conscious mobilization of all human strengths, tending towards the previously established goal. Basic characteristics of the will are consciousness and dedication to certain goal.

People differ according to the level of will. There are: (Bitel L.: Leadership – styles and technics of managing, (1997), Clio, Belgrade)

1. **People with strong will** – withstand the hardest efforts during realization of the established goal. They are self-confident and persistent.
2. **Daring people** – cope with the dangers during realization of the established goal. They are fearless and self-sacrificing.
3. **Decisive people** – they bring decisions quickly and without second thoughts, take over activities.
4. **Initiative people** – take over new actions and realize new goals. They are flexible and non-conservative.
5. **Persistent people** – they are stable, persistent, dedicated to the realization of the goal, withstanding obstacle, do not give up easily and do not despair.

## 6.7. Power, control, influence

When talking about these ideas we often have wrong approach in their interpretation. We even equalize them. We have to know that **authority is a given right, power is**

**ability.** In fact, someone is given the right to be director of a hospital or a clinic (the minister, the board), no matter if he or she is capable of doing this important function. It would be much better if on leadership functions are positioned people who are capable, able to conduct their influence on the employees. What is important is that authority and power both produce influence by the person who owns them towards the others.

Different authors have different views on the issue what power is and where it comes from. That is why in their statements they connect power with different things. For example, as a synonym for power they use the following ideas: direct authority, influence, force, subordination, rank, superiority, dignity, reputation, directing and persuasion. Power is best recognized when in action.

Every individual who is a leader or is on some leading position is said to have power. What is power actually? According to the Oxford Dictionary of English language, power is defined as the ability to act or do something, to control, influence.

People have different sources of power: (Fiona Elsa Dent:Art of Leadership, Narodna biblioteka Srbije, Belgrade, 2006, p. 11).

- Position or role in the organization
- Approach or possibility of control over resources/means
- Established relations or nets – reach of relevant people
- Information – ability to get the information
- Personality – our own personality
- Skills or knowledge

Most important is that the source of the power is not as important as the way the power is used. Leaders have the choice to decide on how to use power and whether to misuse it (we have all heard the saying: he has butter on his head).

When someone is put on a leading position, then the role is given to him/her. However, someone may emerge from the group and take over the leading position – ability or power. In most of the cases, these newly made leaders have certain characteristics which go with the given situations.

People greatly enjoy the effects of power, for example through admiration of their “greatness”, clapping during speeches, protocols on official dinners, position in the car escort, military salute...to say it short, people enjoy celebrating the power. A healthy individual who gains power also likes it. As Harvey Rich says (5:24), “leader of a group of people feels as if he grows physically”. Commanding from the top of a mountain. The air you breath there is different and the view different from that spreading in the valley of obedience”.

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An interesting view on power was provided by Margaret Thatcher, a former Prime Minister of Great Britain.

“To be powerful is same as to be a lady. If you want to prove it in front of the others, then you are not one.”

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According to Blaine Lee there are three basic possibilities to reach power:

- **Fear** (followers are afraid of the leader and it is for this reason that they are obedient) – **enforced power**;
- **Possibility to make something for the others** (there is an agreement between the leader and the followers about interchange for some kind of benefit) – **compensational power**;
- **Trust** (the followers trust the leader) – **power of persuasion**.

**Enforced power** or the power of enforcement is based on the control of use of the power. It is destructive and demoralising as it relies on fear and uses it as an instrument. When someone uses this power it is not to influence somebody but make him or her be obedient. Obedience is achieved by threats, lies, misdeeds or physical force. The person who uses enforced power causes pain and makes others feel incapable.

**Compensational power** or **power of benefit** bases on the approach “Lets’ make a deal”. Although force may seem as an easy and quick solution, a great number of leaders use negotiation as a solution. Instead of force or intimidation they try to exchange and do something that appears as a fair solution. This kind of power seems much different from enforced power. It is based on the possibility to exchange. The leader has got something that the followers want; they have something that the leader needs. They talk it over, they trade. The basis of the power is being fair, which means: both sides feel that it is a worthy transaction, worthy exchange. Everyone gets what he negotiated for, what he expected from the deal.

There are many subtypes of this power, depending on the subject that is traded for. The common basis is that it has to be something the leader owns and the followers believe is worthy to get. Some kinds of compensational power are:

**Power of upgrading.** The award given by the leader to the followers can be in terms of money, recognition, badge or anything else and is based on the expectations of the others that they will receive it if they work by the leader’s directions.

**Expert or professional power.** The leader who has exceptional abilities, knowledge or skills that overpass the knowledge of the followers has this power.

**Charismatic power.** Charisma is a combination of characteristics that a leader has which make him or her attractive, charming.

**Information power.** When the leader knows what others do not know, then he has information power. This power can be of temporary character, depending on the essence of the information known by the leader.

**Situational power.** In case of a crisis, when the leader can do something that is kind of help for the people, gets the situational power or power of circumstances. This power may be effective long after overcoming of the crisis, if the leader has worked well and correctly.

**Power of resources.** This power the leader gains because he has approach to the key resources (people, money, objects, products or services). We should mention that this power is shared also, beside the leader, by the people close to him, especially by his assistants, technical secretary, in extreme cases by the receptionists and guards.

**Instrumental power.** It is power that emerges from the ability to do something, to take an action, especially when it comes to a standby.

**Power of assessment.** It is based on the ability to provide information or view on the quality of someone's efforts or deeds. When the leader owns this power it can be means of influence on the followers as he informs them on their work and they tend to get a better assessment.

**Power of connections.** Knowing the right person on position may bring good position to those who are connected to him.

The **power of benefit** seems right and correct as you do not have to intimidate anyone in order to get his or her agreement. That is why this kind of power is often used by leaders. It enables results; it is logical, easy to use, with a small risk. The power of benefits is not constant; its existence can end anytime. It may end when someone offers the people that the leader wants to influence, something more, better or something which demands less effort.

Contrary to it, **the power of principles** is based on fair influence by the leader on the followers and by trust and confidence. Establishing common trust and respect, as a result of obeying the principles, the leader gains the power of persuasion on the followers. It is all about the power by the personal example or referent power.

The world which is created on the basis of the power of principles is different from that which is based on force and benefits. It contains different feelings, motives or triggers. It is based on the respect and fairness that have nothing in common with the agreement or exchange. The leader who has a chance to influence other people, as time goes by, and if he does not do it fairly, may begin to lose power. Then methods that are not suitable to power based on principles of fair influence are applied.

The ability for long term influence begins to fade away when the leader takes over some of the following activities:

- If he tries to hide or cover something that he did wrongly or refuses to admit that he did wrong.
- Applies and develops selfish behaviour, egocentric opinion that he is better than the rest, defending himself while attacking the others.
- Becomes hard to reach and egocentric and does not think of the others who do not have the same power.
- Gets directed to his own ambitions and looks upon the others as means or step to his own success.
- Uses the services of the others for his own progress, promotion or for his own personal interests.
- Brings decisions and takes over activities using his superior knowledge or experience which terminates the others, excludes them or uses them.
- Puts himself in a situation to make the others do what he wants.

Power of principles is actually gaining power by respect. The more the leader is respected by the others, the stronger his power is. If the leader wants to increase his power based on principles he has to improve the level of respect instead of asking for prizes or status. The word respect in this sense means correctness, living by the highest ethical principles, absence of lies and manipulations, sticking to the truth.

Recognition is not the same as respect. Recognition is just one kind of respect one gets, it may be only expression of power of benefits. The difference between respect and recognition is that recognition refers to the treats the followers give to the leaders for something they had done. On the other hand, respect is based on his/her personal characteristics, values that direct them to do something worthy. This is the reason why the power of principles is the strongest. The followers trust their leader. That power leads to self-control, ethical behaviour and active life. The following are its basic characteristics:

- It is power that lasts continuously. It lives in the leader's personality and with him.
- The power of principles encourages the initiative in the leaders. They are more open and the openness in their case means choice of priorities.
- It is power that has inner roots and often it means sacrifice of something that they want for something that is more important in general. Sometimes the needs of the minority must be sacrificed for the needs of the majority.
- The power of principles helps the conditioning among people. It points out the issue of synergy, meaning what they can do when working together for one goal.

Development of respect is a life-lasting process. It cannot be accomplished quickly and easily, but the prize is enormous. The leader has to gain trust, respect and admiration from the followers in order to have the power of principles. For that purpose, he has to stick to the following ten principles.

**Persuasion:** when the leader wants to convey his belief and opinion to the others he has to pay real respect to the ideas of the others. Then they can get the feeling that they are understood and will try to understand the leader better. As paradoxically as it may sound, the ability to listen to other people gives him the power to persuade the followers to accept his ideas. He has to explain his followers why it is important for them to do as he asks. His important role is to create, explain and inform about his ideas.

**Patience:** if the leader wants to work on the confidence in his team he has to be patient with the people and the process as in that way he invests in them for long-term. Influence on people is an art of management. Every leader has to provide conditions for his followers to prove themselves. Patience is built on the consciousness of the leader that he is not invited to control but to provide conditions for development of people.

**Humanness –consideration –** If a leader is thought of as a considerate one, it means that he or she is not a “difficult” person, rude or violent especially in delicate cases or fields or when other people might get hurt. The leader has to be respected by his followers. According to Blaine Li in his work “The power of the Principles”, when working with people you should take your shoes off because it means stepping on holy ground. No matter what position they hold, people are vulnerable, and the leader should know their weak spots, but he or she shouldn’t take advantage of them. All of us wear masks and only with carefulness, kindness and humanness can they be taken off. It has similarities to the Aesop’s fable about the sun and the wind competing who has greater power. You cannot make a man do something that he doesn’t want.

**Openness to learning-** the leaders who think that they know everything are vulnerable. Their readiness to change their opinion and to be open to new knowledge is very important. If a leader wishes to have influence over his subordinates he has to be ready and open to learn from them.

**Acceptance-** it refers to the unconditional acceptance that does not include lies. When a leader accepts his subordinates, it means that he accepts them in spite of all their weaknesses, fears and doubts. He does that not because of their accomplishments but because of their value as human beings. Although it is much harder to be understanding than to give advice, it is more rewarding in the end.

**Kindness-** it means that the leader should be caring, sensitive and considerate and tread with care and attention. According to Hong and Lynch’s book Mentorship: “When you



are kind to someone it creates a spirit of reciprocity". The followers become leaders, the leaders voluntarily become followers, and together they overcome all the obstacles. In such cases the sacrifices made for the cause are valued the most. Kindness wins over hearts and compassion wins over loyalty and cooperativeness.

**Knowledge-** the leader has to have sufficient information about the people that he has to influence. However, this information should match the true character of his followers, their wishes, motivation and needs. In order to accomplish this he should spend time with them and get to know them.

**Discipline-** as a principle of power it means that the leader has the ability to admit the mistakes made by others and to accept the misunderstandings.

**Consistency-** when the leader is a consistent person, then his followers do not feel manipulated. Consistency is a direct result of someone's dedication to the set principles. It doesn't mean that the leader acts in accordance with his followers wishes but acts in accordance with basic principles whenever he does something.

**Integrity-** this means that he should put into accordance his words, thoughts, feelings and deeds with his way of living so that any hypocrisy would be avoided. This also means that there should be no hidden thoughts, malice or manipulation. Any difference between the words and the deeds of the leader should be eliminated since they should be united.

## 6.8. Leadership styles

A lot has been written about the different styles of leadership. Some are classified as autocrats, some as democrats, others are perceived as charismatic ones, others for cooperation or individualists. The recent studies show that there is no such thing as the best leadership style. Yet two main messages we can draw from are: (Fiona Elsa Dent: The skill of leading, National Library of Serbia, Belgrade, 2006, page 44)

1. A successful leader is capable of changing his style in accordance with the situation – context.
2. The most efficient style is the one in which the leader participates the most.

When we discuss the leadership styles, in order to have a better understanding we should go over the concepts of power and control, their comprehension and their relations. Depending on his character, capability and the way he uses his power, control and influence the leader enforces different styles of leading in the organisation. The process is influenced by the surroundings or the organisational culture as well as by the circumstances or the situation which leads to a significant change of the working conditions and standards of the organization.

The literature as well as the praxis recognises two basic styles of leading which are distinguished as: the autocratic and the democratic leadership. These two are not exclusive of each other since they have more theoretical than practical differences and most of the classifications of the leadership styles done by different authors, theoreticians or practitioners are just variations of these two basic styles.

Lester Bitel distinguishes six types of leadership styles (Bitel L.: Leadership – styles and techniques of governing, Clio, Belgrade, 1997, page 66-79): authoritarian style, democratic, participative, style of leading aiming on performing tasks, style aiming on gaining followers, style of leading which is concerned with other peoples' opinion.

The authoritarian style of leading is based on force, power, giving orders, and commanding, actually represents partiality in the decision making process. It is a style which is most frequently seen in multilayer companies where the leader has great authority and is ideal in critical situations or when the swiftness is crucial for the successful completion of the job. This is a suitable style for the followers or the employees who like security and the protective relationship that is offered in this case.

The democratic leader reserves the right to reach the final decisions concerning the leading of the organisation, yet takes care of his employees, their needs, wishes and interests. Characteristic for this style is that it takes into consideration the attitudes of the employees and it is not very suitable in cases when the people need to be given clear instructions about their tasks. On the other hand, it is quite suitable in cases when the leader needs to know the opinions of his followers.

The participative leadership style is the one which involves active participation of the followers, which is a very effective way of recruiting followers. It represents an active relationship between the leader and his followers that interactively reach the level of mutual understanding and reach decisions which are supported by all of them. When this type of leading is used, the employees are given maximum opportunity for cooperation with their superiors in the process of establishing the aims and in the determining of the way in which they will be accomplished. This situation requires a high level of tolerance which basically means that there should be mutual understanding and respect, and it is most efficient in situations in which we implement some changes or we deal with problems.

The style of leading that focuses on the working assignments is frequently identified with the authoritarian leadership. It is often expected that the employees, in order to accomplish the given tasks, will need to be told what to do. Yet it is wrong for a leader to assume that a financial reward or a threat with a disciplinary measure is a sufficient motivation for the employees. Nowadays, the employees as followers expect to be respected and appreciated more than they used to be.

The leadership style of which the aim is gaining followers is actually a style that focuses on leading the organization with the help of the employees. In such cases it is important for the leader to discover and to know what the most acceptable motivation for the employees is, and to use it in the process. However it has been proven that there is danger of transforming this leadership style into manipulation, which will mean a certain fiasco for the leader. According to Philip Shivers' opinion given in the magazine "Psychology Today", there are many leaders whose attitude causes considerable damage to the trust that their employees have in them... It is done in two ways (Bitel L.: Leadership – styles and techniques of governing, Clio, Belgrade, 1997, page 70)

1. The leaders "fathers" want to present themselves as people who are caring, who works painstakingly in order to accomplish the tasks in the best way possible, yet it is all about gaining power and personal benefit. The leaders "fathers" promise love but they never give it.
2. Bureaucratic leaders do not even try to hide anything and frequently discourage the employees by refusing to take into consideration their feelings. They act in accordance with the rules and do not bother with the feelings or needs of the employees.

The style of leading which is concerned with other peoples' opinion is recognizable for its leaders' concern for the people, which actually satisfies their need for the realisation of their interests. However, this style does not mean "satisfaction for everyone" and does not identify the closeness with the efficiency. The fact that the leader asks for other peoples' opinion does not mean that he doesn't give his attitude and his opinion on every problem and doesn't emphasise the need for the accomplishment of a particular task.

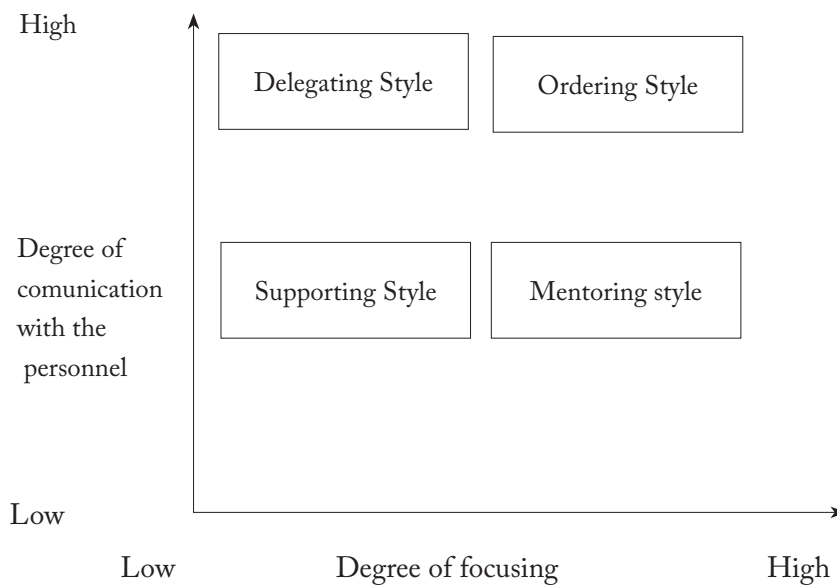
This style is compatible with the leadership style which is aimed towards the accomplishment of the assignments. It is not suitable in cases when the leader does not trust the employees and their capability and dedication are questioned, as well as in cases when the nature of the assignment sets requirements which ask for strict following of procedures.

What is important about these leadership styles is the fact that there is no good or bad or right or wrong style of leading an organization. The best one is the one which gives the best results. Taking into consideration the above mentioned, Hersey and Blanchard promote the so called situation leadership (Petkovski K.: Leadership and effective communication, Kiro Dandaro, Bitola, 2000, page 171).

In order to be adaptable to specific situations or problems the leader should constantly change the style of leading and use the most suitable one in order to satisfy the needs and to overcome the obstacles.

The black and white frame of the authoritarian and the democratic leadership styles is transformed into a four style matrix by Hersey and Blanchard. They are determined in a way that takes into consideration the degree of dedication of the leader towards the set assignments and the relationship between the leader and the followers.

Successful leaders are energetic leaders (show vitality alertness and passion for their work) who have the ability to win over (the ability to attract someone's attention through communication). What is very important is for every leader to build his recognizable style.



**Questionary: Leadership Styles** (Fiona Elsa Dent: The skill of leading, National Library of Serbia, Belgrade, 2006, page 44-51)

*Check the columns and mark the words or phrases that reflect your character, role.....*

| Column 1       | Column 2            | Column 3                 | Column 4            |
|----------------|---------------------|--------------------------|---------------------|
| charisma       | encourages          | self-confident           | sociable            |
| speech         | to alleviate        | intuitive                | coordinator         |
| control        | to listen           | visionary                | team worker         |
| decision maker | shows understanding | works within the network | with an open spirit |
| authority      | gives strength      | convincing               | confidential        |
| focus          | supports            | determined               | sincere             |
| structure      | self-consciousness  | can predict changes      | credible            |
| responsible    | compliments         | aim oriented             | conscientious       |
| unyielding     | adaptable           | catalisator              | urges               |
| ambitious      | develops            | convincing               | considerate         |
| Total 1        | Total 2             | Total 3                  | Total 4             |

*Comparison of leadership styles*

|                    | advantages  | Disadvantages  |
|--------------------|---|--|
| Managers' style    | Functions perfectly in critical. He is good with inexperienced people. Efficient in situations when time is limited. Knows the most | Too controlling .Does not include other people. May crush creativity. Does not try to motivate others  |
| Instructors' style | Helps others in their development. Improves the work. Raises self-consciousness of the followers. Builds trust                      | May waste his time. Relies on others. Guesses that people wish to improve  |
| Influential style  | Mobilises people. Inspires. Good in times of transition. Has great credibility  | May seem manipulative. May seem too aggressive. People may think he works to his benefit   |
| Cooperative style  | Builds consensus. Motivates people. Includes others. Uses other peoples' knowledge and experience                                   | Tends too lean on other people too much when working is in question. May seem indecisive. Relis on other peoples' attachment. Guesses that other people have certain knowledge |



## Revision questions

1. Discuss the functions of a leader.
2. How does leadership differ from management?
3. Give an example of a successful leader and indicate why you think that leader is successful.
4. Discuss the strengths and weaknesses of a leadership theory of your choice.
5. How does a leader increase performance of the followers?
6. Discuss the various types of leadership styles and give reasons where each can be used.

## Sources

Fiona Elsa Dent (2006): *Art of Leadership*, National Library, Belgrade, Serbia

Petkovski Konstantin (2000): *Leadership and Effective Communication*, Kiro Dandaro, Bitola, Republic of Macedonia

# 7.

## Changes

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You cannot solve today's problems with the present way of thinking. Today's problems are the result of the present way of thinking! (*Albert Einstein*)

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### 7.1. The notion of change

Numerous authors have been pointing out the importance of continuously having changes and adjustments in the organization so that it will be closer to the environment in which it exists. The basic difference between a business organisation and a governmental organisation is that the existence and the success of the first one depends solely on the achieved results and the accomplished goals, while in the case of the second one this is not necessarily the case. The philosophy of the management of change is philosophy of constant changes, innovations as well as creativity and entrepreneurship. The entrepreneurship should not be treated just as an economic category, but as a way of thinking and acting in everyday life and work.

There is nothing neither more dangerous nor more uncertain than the initiation of changes. It is something which may be an act of major gambling in. Leaders, who work on the improvement of their skills that help and support the changes in their organisation, are to be the driving force in the future. The changes and the reorganizing initiatives bring unrest and fear since they disrupt the established ones' careers.

Basically the essence of the leadership is the leaders' ability to think of an idea, then inspires and conjures his followers into realising it.

It is important to emphasise that people cannot be led only by making plans and by analyzing the present situation. The thing which makes them follow their leader is the mutual (shared) goal, and in order to do that you need to unify these three elements: idea, inspiration and urge.

An idea is a positive image of what should be transformed in the organization and the path that should be chosen in order to accomplish it.

Inspiring the followers is the force which leads them towards action. The leader should know how to use his skill of natural and non-intrusive communication in order to urge and to make the followers comprehend the benefit from the accomplishment of the aim.

Usually, the efficient and effective leaders first of all create an idea, and then they aim at inspiring and urging the followers towards its realisation.

The occurrence of changes in a certain environment usually happens independently and these changes are ever-present and inevitable. Yet they need to be accepted by everyone, because if they are only promoted by the leader, they might be rejected and then they will not be successful. According to Leing, **change is an obligation, while development is optional.**

In order to talk about the organizational changes in the true sense of the word, we should make distinction between the deliberate or intentional and the unintentional or chanced changes.

Important regulations of each change

- It should be visible
- It should be relatively permanent
- It should be important to at least one part of the organisation

Each planned change happens at least twice: first, it happens mentally and then physically. The mental change gives us the image of the new and wished for conduct, while the physical change reflects the enforcements of the new conduct (way of acting).

The intensity and the influence that those changes have on the overall way of living, point towards the notion of “changes of the paradigms”. It actually represents the change of an already defined rule of conduct, or the change of the boundaries within which they perform the conduct.

There are four levels of changes when people are in question

- Change of knowledge
- Change of attitude
- Changes in the individual conduct
- Change of the conduct and the performance of the group or the organisation.

All these levels do not occur simultaneously, but at a different time, and it is not a simple process since it requires great efforts to enforce those changes.

The most difficult and long lasting change is the one concerning the conduct of the groups, but we could overcome it if we work collectively. It is also important to mention that there are certain shared feelings, values, beliefs and myths that make the culture of



a certain group, as well as whole nations or countries. All these elements contribute in the creation of certain **mental models** in cases of some individuals. These mental models are actually suppositions, generalisations, or simply are a way in which an individual perceives the world. What is important about the mental models is that they function as an obstacle to the enforcement of the changes and they have to be overcome.

We always have to have in mind that there are three steps in each change:

- initiation
- implementation
- institutionalisation

The initiative shown in a case of a certain change, or the promotion of a certain new idea, usually comes as a result of some newly gained knowledge.

The second step, the so called implementation of the change or the introduction of a new idea, requires changes in the attitude as well as a change in the individual conduct of the key figures in the process of enforcing the planned changes. The institutionalisation, as a third step, represents the process of bringing the change into life and the enforcement of the new idea. In order to do this, it is necessary to change the individual conduct or behavior of all the members as well as the conduct of their group, which is also called, **organisational culture**.

According to Curt Levin, who is the founder of the Social Psychology, we should perceive complex problems in a simple way. The best way to understand and manage this process is to do it in three steps or phases:

- Create a climate of changes
- Carry out changes
- Strengthen the changes

The third step in the entire process of changing is called strengthening. There is an essential difference between knowing what to do and doing it, and in order to carry out the change we have to have experience.

The leader of the team or the organization is faced with questions like:

- Do people know what they should do?
- Have they understood the general meaning?
- Do they have an idea of what their role is in the process of changing?
- Do people like to be part of the team in charge of carrying out changes?
- Can people find personal benefit in the changes?
- Are people able “to sell” the idea to others and not to block the change in the process?
- Can they recognize the need and the necessity for changes?

If a medical health institution wants to accomplish its mission, it should follow the changes in the society, but it should also create the necessary changes. Medical health institutions are an object of every day analysis. This analysing is focused on the degree of satisfaction of the patients, but it also takes into consideration their needs, expectations, interests or beliefs. It creates constant pressure on the inside and the outside and its goal is to ensure that there is a quality medical health protection. The changes in the surroundings usually influence: the change of interests and needs, the behaviour of the patients, their openness to accepting or not accepting certain treatment or the way of communicating. The health workers, especially the doctors, expect improvement of their status in the society since they are the ones who carry out the process in the medical health organisations. Some of those doctors are ready to implement contemporary methods of treatment, while others are not so ready or simply they are not experienced or trained for the task.

The expectations that the patients have about the medical health organisations are frequently controversial or different which might make them unrealistic. The state also more or less sets certain requirements or limitations, which are determined by legislative regulations. Yet it is the public opinion that determines which are the good medical health institutions and which are the bad ones.

## 7.2. Managing changes in the medical health organisation

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... Your mind should constantly be open to changes. You should have a positive attitude towards changes and welcome them and make them work to your benefit. Only a person who questions and analyses his attitudes and ideas, is a person who advances... (*Deil Carnegie*)

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Recently organisational changes have become a way of living for most of us, and there are changes in almost all fields of living and working.

We can differentiate the changes according to different criteria, comprehension, and approach and time aspect as well as according to the conditions and the field in which they appear. This puts a considerable pressure on the medical health organisations. This is especially evident in the case of the principle "health for everyone". This principle is a result of the wish to make the medical health services even better. But in order for these changes to be more successful, they should be accepted by everyone. If the leader only promotes them and the medical health workers reject them, then success will not be achieved.

The bureaucratic, hierarchical systems of organising and managing institutions as well as the old ways of working are not suitable for carrying out changes and planned goals.

New systems of multidivisional and organisational cooperation are needed and they will lead to the coordination of the activities. One of the ways to accomplish this is by improving the informational system and motivating health workers. New more complex and contemporary methods will ensure successful enforcement and greater development.

Crucial factors in the process of changing medical health organizations:

1. Improvement of the basic knowledge of planning and action through research and improved systems of information
2. Mobilising the partners
3. Organizing the process of planning for the change as well as carrying out and evaluating the results

**Strengthening knowledge:** In order to carry out changes in the medical health organisations we need knowledge. Research is one of the most valuable and most important instruments in the society and it is crucial for the preparation of the strategies and for the carrying out of the changes.

The information systems are the other key component, which makes knowledge widely accessible. We live in an era of communication and public health finds that the shared information about the health situation and the factors of risk is crucial for the managers of the medical health organisations and other professionals in the medical health organisations. The information and communication systems support the acquisition, effective using and dissemination of knowledge.

Telematics services are used more than ever in supporting medical health protection and governing of the health services through using personal computers and multimedia. It is the managers' task to make it possible for everyone in the medical health organisation to use these services in order to improve the medical health services. However, this strategy should take into consideration the following elements:

- The systems and services for medical health telematics should be dictated by the medical health requirements and standards of clinical work in the public health system, and not by technology.
- The values and the principles for providing health for everyone, equality, shared responsibility should completely be implemented in the process of development of the medical health telematics.
- Providing suitable education, training and professional instructions for the medical health staff.
- Cooperation during the process of development of the technological standards, the compatibility, the open architecture and the pilot projects.
- Managing and leading of the innovations in the health informatics in the most effective and rational way.

**Mobilising health partners:** In order to provide better medical health care for the population, medical health managers should ensure that there is a link between the organisations with medical health professionals with other partners. It is a mistake to look into the problems of only one sector and its specific organisational aims, its budget and the activities. Experience has shown that there is lack of mechanisms for partners to work together in systematic cooperation. When we say partners, we mean all of those who make a contribution to the improvement of the health of the population. Their partnership means that they take the whole responsibility for the undertaken measures. Since they share the responsibility it is natural for the partners to have the privilege of being proactive participants and to have the freedom of making suggestions.

The medical health professionals are the most important factor in most of the activities since they are the ones who give the services as well as plan or manage many of the parts of the medical health sector. Yet the potential has not been fully exploited since in the past a lot of the medical health professionals have been focused on a single patient, focusing on patients and not analysing the influences of the problem on the population. It is not uncommon for them to show resistance toward working with sectors outside their organizations.

The medical health managers should have a priority in the process of carrying out the changes. It is their task to bring together the kindergarten teachers, school and university professors, nongovernmental organizations as well as the private sector. All of them have a great potential and can contribute to the developing of medical health personnel and in the maintenance of their values, knowledge and skills.

The medical health manager with entrepreneurship characteristics, who aims towards accomplishments and who believes that the results can be controlled, is the one opposing the belief that they are dependent on chance and luck. He is the one who is able to make the cooperation and the support come true and he has the talent to coordinate the partnership.

**Indicators for the outcome of work.** The term “quality”, actually represents the degree of the highest accomplishment. Yet the raising of the quality is not entirely dependent on the work of the medical health managers and leaders. It is more a dynamic process which is continually stimulated and is accompanied by the innovative improvement of the medical health outcomes and results. It is because of this that the medical health managers and leaders should organise the working of the medical health services so that its main concerns are:

- determining of entry factors
- defining of the processes
- evaluation of the outcomes of the working

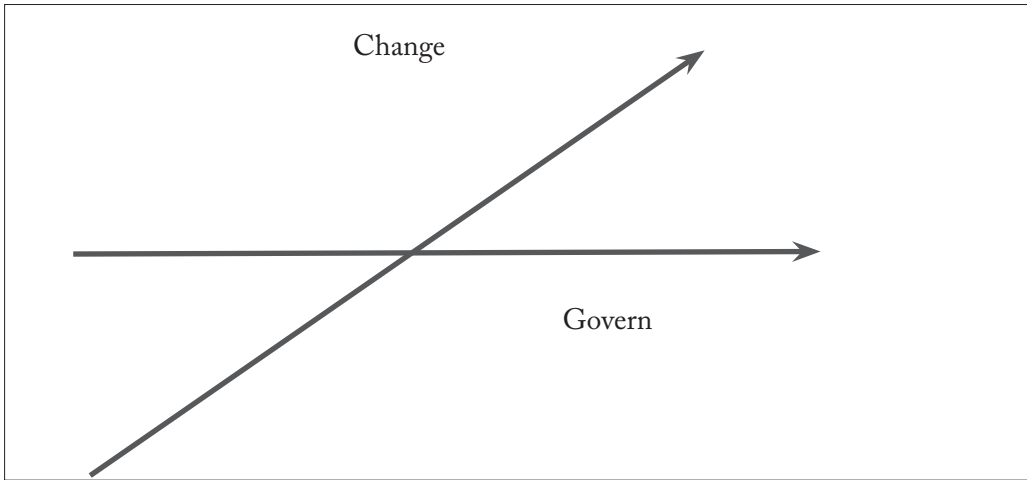
Actually, the whole process should be monitored so that it will ensure health improvement and satisfaction of the patients. Cost effectiveness should be what is important and not the traditional way of managing which is monitored and planned from the perspective of the inputs.

It is necessary to set the minimum of relevant and measurable indicators of the medical health outcome, which depends on the work of the medical health workers and organisations who provide the medical health care. But these indicators should also be continuously monitored and evaluated.

They should be scientifically valid and based on practical experience and should include the different aspects of the medical health protection (depending on the medical health service, they could be things like: improvement of the health, prevention of diseases, treatment and rehabilitation). When planned, they should use the comparison method of the relative values of each of these.

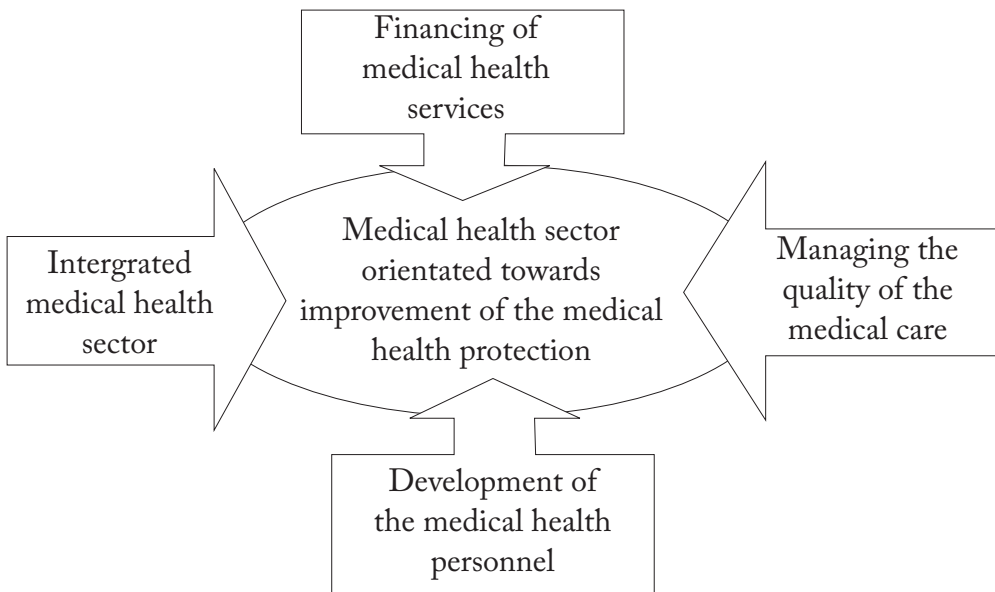
The indicators of the outcome of the medical health services help in the process of measuring of the effectiveness of some interventions. It also defines which are the interventions that should be used in the day care of the patient as well as the evaluation of the new diagnostic and therapeutic technologies (this includes the new pharmacological products and medical equipment). These indicators can also help with the new techniques of managing and leading, such as leading of the negotiations between the users of the medical health services and the medical health protection. This leads to the conclusion that these indicators have influence over the work of the experts of governing the medical health services.

It is very important to mention that in the process of managing changes we should follow the rule of the two directions. According to this rule, while implementing the changes we should simultaneously perform the current tasks (horizontal direction) and carry out the necessary activities connected with the change (angled direction).



The quality should be determined only according to the best achievements and results with the help of the scientific knowledge. The interventions should always be based on the scientifically confirmed evidence no matter in which medical health service they are performed. Their acceptance depends on reaction of the people who give the medical health protection. Consequently gathering and analysing of the results is very important. The medical health organisations should have basis and registries of data that concern the indicators of the outcome and the dissemination of the findings. All this should be a priority for the medical health managers, the experts and the teams that lead them.

The following image gives a functional review of the determinants of a good medical health system which is dedicated to positive results.



The process of changing includes many teams and individuals that have different abilities and wishes. This asks for the use of certain recommendations about the activities that concern different categories of people. In this case, we can use the so called window of analysis and taking activities, in which as determinants of change we take the abilities or the skills and wishes for changes.

*Graphically it looks like this:*

|                         |                              |                            |
|-------------------------|------------------------------|----------------------------|
| <b>Big</b>              | 1. big ability, small wish   | 3. big ability, great wish |
| <b>Abilities/skills</b> | CONVINCING                   | SUPPORTING AND DELEGATING  |
|                         | 2. small ability, small wish | 4. small ability, big wish |
| <b>Small</b>            | REPLACEMENT                  | TRAINING OR PREPARING      |

Small
Wish
big

Out of all the four presented cases, the process that causes the greatest problems is the process of convincing. That is why it is important to know the abilities for convincing that are at our disposal.

**Talking-** has the aim of leading the followers into the right direction. The phrase which is very useful in such cases is:” It has been mentioned by certain relevant factors that it is not good...”

**Setting a personal example-**we perform modelling of the necessary changes and also point out that the leader is ready to give something, to work harder, longer or in a different way than usual.

**Attracting-** the best effects are accomplished when we clearly define the aims and tasks for each individual and we stress out the effects of the changes which are important for everyone.

**Personal conviction-**is done through making logical conclusions or findings and by creating attractive images of what might be achieved with the implementation of the change.

**Negotiating-**is done in a bold and skilful way, which is a characteristic of the experienced merchant (bargaining). It is crucial to establish the correct evaluation of your position versus the position of the other person, and to identify the weak and strong sides of the negotiators.

**Requesting**-should be practiced only in cases when the leader has been given the necessary power but only in cases when the request is reasonable and doesn't represent pressure, manipulation or blackmail.

**Intimidation**-this is the last resource that is at a disposal to the leader in the process of convicting, yet it is not highly recommended since it has only short-term effects and lasts only while the process of intimidation of one person is done.

People tend to get over preoccupied by the everyday tasks and forget or neglect the obligations or the promises that they have given. Most of the new information is instantly forgotten and we remember only the most impressive ones. That is why it is important for the manager to repeat the idea over and over with a well prepared and catchy sentence.

If there is a bad start of the process it is usually a result of the procedures and the ways of working that are closely connected with the old way of working which is not suitable for the new changes. On the other hand, the unacceptable conduct of the followers can be seen as their disinterest, passive resistance or even as an open boycott or sabotage.

Depending on how much they trust the leader and how well they accept the idea, the members of the team could be separated into few categories. The first one is made of the people who have great trust and totally support the idea. These are the so called **supporters**. Those that have great confidence in the idea, but do not agree with the attitudes and the opinions of the leader are the so called **critics**. The third group represents the people who do not agree with the idea and do not support the leader and are **members of the opposition**. There is one category of people who, no matter whether they believe or don't believe the leader, they agree with the idea, and they are called **poltroons**. Those people who do not manifest any attitude or opinion are called **weak-minded or bystanders** and what is characteristic for them is that they wait for things to happen, and then they take sides.

### 7.3. Handling opposition when carrying out changes

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... If you want to make great changes you should focus on the behaviour.  
(*Stephen Covey*)

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The implementation of the changes is always connected with the changing of the present situation and leads towards better functioning of the organization.

It includes the dislocation of the people from the place they are to the place where they should be. The best way to make people dare to go in an unknown direction is to make them want it. (Noel M. Tichy: The Leadership Engine)



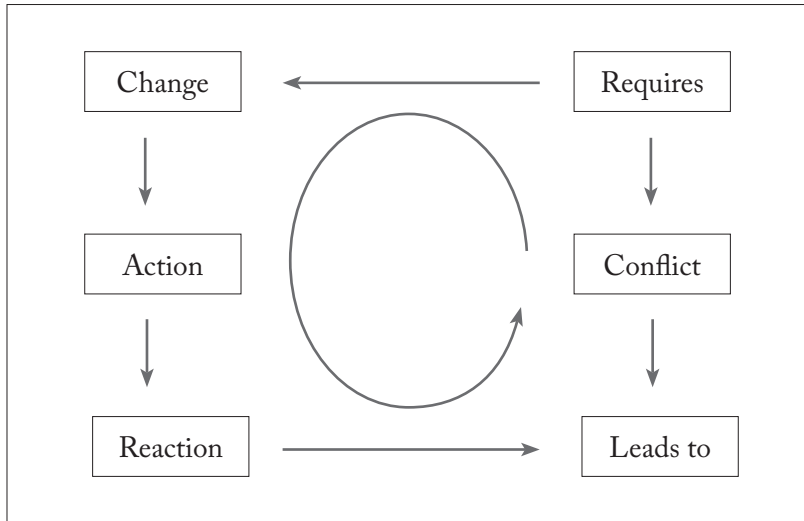
“More than 80% of all the efforts for changing something do not get realized”  
(David Smith)

We should take into consideration that every change goes through three phases: the initiation or idea for changing something, implementation or application of the change and the institutionalizing of the change in the direction of securing its existence. In this context, we should always have in mind the presence of people who will oppose the changes and they are the so called stakeholders.

People do not normally oppose changes. They do that if the changes are badly handled. When the changes happen in one organisation all of the people in it react in a different way. Some are ready for them and some are not. Some people (around 15%) immediately accept the changes and enforce them enthusiastically, while (35%) wait for minimum instructions and are amongst the first that accept the changes. Those are the ones on whom we should work upon. The rest (15%) are the resistant group which gives the greatest resistance and refuses to accept the changes, and are people who are extremely negative and spread negative messages to other people.

It is important to know that the changes require time and effort, which are different in different cases of changes. It takes less time and effort in changing knowledge, while it takes more time and effort to change an attitude. It takes even more time and effort to change the conduct of individuals while to change the group conduct or the culture of the organization is extremely great effort and long time. The problem with the changes is that people first think of the things they are about to lose and not of the things they are going to gain. In other words very few people can see the challenge and the opportunity for something new or better in the changes, most of them see threats.

Usually as a result of the changes we get resistance, which does not mean that something is wrong, to the contrary, the resistance only shows that something is going on. This resistance might sometimes result in a conflict. At the beginning, the conflict is usually destructive, but it might be resolved and turned into constructive one which will lead to progress. The resolving of the conflict might on the other hand require other changes, such as changes of the attitudes or the conduct. This circle, called the mechanism of the forces of change, can be illustrated like this:



The most important issue set before each director of an organization is the one on how to handle the resistance. Whenever we introduce some change we get the question:

**Why?** The answer is: there is a clear need for change which is based on its importance in the results. It is also said that it is critical both for the organization and the individuals and that the need for change is even greater than the resistance.

There is no universal recipe on how to do that, yet there are several recommendations for it. The basic principle is that with each change roles should be cast to the: **Sponsor**-a person on a high position who supports the process of changing, **Person in charge of the change**-a person who implements the change and **The Target**-person (people) who carries out the change. It is always better if more people are involved in the process of reaching decisions in connection with the changes or with the development of the team work. This is why it is recommendable for the development planning of the organization to be done by teams. These teams should be made of volunteers, yet the vocational aspect cannot be overlooked, so it means that the team members should be capable people.

People also differ in the way they accept changes. Some accept it quickly, others need more time.

This question has been treated by Rogers and Everett, Carol Rolheiser and Joanne Junín: (Managing the Process of Change, Soros Conference, Budapest, Mas 12-16, 1997). They have done research and have suggested five different types of people, according to their style of adapting to the changes.

**Innovator**- is a type of person who is curious and wants to try out new ideas, is open to changes and is ready to take risks. He/she is creative, extremely motivated, advances and is very original (8% of the examined were characterized as such).

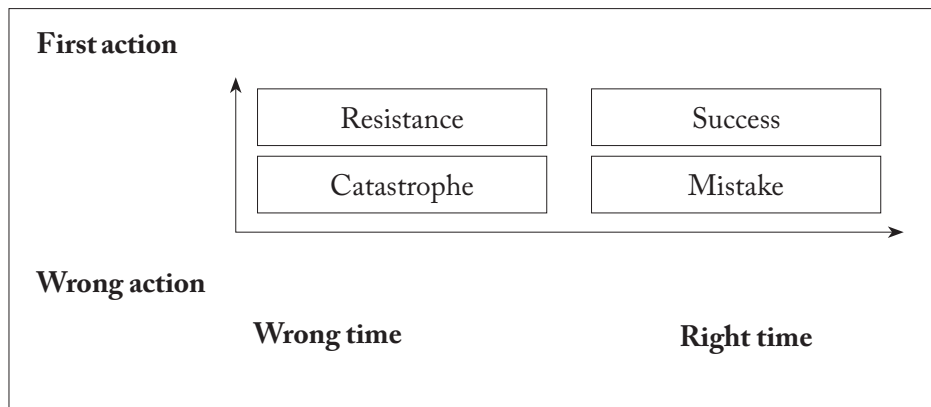
**Leader-** is a type of person open to changes, but is also the one who thinks most of changes and of his involvement in the process of changing. He/she is open and tries out new innovations, he/she is also a responsible person who has influence over others and people believe in him/her and ask for his/her advice (17% of the examined were characterized as such)

**Early Majority (Follower)** - is a type of person who is cautious and thinks a lot. He is clever and analyses the change before he/she decides and adapts to it. He/she is more of a supporter of the change than he/she is capable of imposing the tempo of the change. He/she is the type of follower who wants to be advised by the ones he trusts and respects the leader. He/she wants to know whether the change is better than the present solution. (29% of the examined were characterized as such)

**Late Majority (Sceptic)** – is a type of person who is sceptical in the adapting to the new ideas. He/she wants to wait and see how the process progresses and will join in after everything is settled down. He/she always wants a confirmation that the chosen path is the right one and that there is sufficient support for the cause. He/she also can be influenced by the internal pressure and the administrative solutions (29% of the examined were characterized as such).

**Resister-** is a type of person who is highly suspicious and is generally against any new ideas. He/she usually has only little influence and is isolated from the mainstream. He/she is always ready to remind you of the history of unsuccessful innovations. (17% of the examined were characterized as such)

One of the best ways of preventing or lessening resistance to changes is to practice continuous, complete and up-to-date informing. It is also important to have in mind the law of the right time for action or change



(Source <http://lider.start.bg/>)

It is always good to know what is going on with the people at the time of carrying out the change. It always helps in the process of amortization of the resistance to the change. The number of supporters is another important factor. All those who are interested in the process or have to gain from the change and will vote for you can be classified as supporters and they can be individuals or whole organizations.

If we take the above mentioned into consideration it will be much easier to manage the changes and it will also help those who are in charge of carrying out of the changes.

### **According to Blanchard there are seven different things that happen when people are faced with a change**

1. **They do something that they usually don't do.** ( they feel uncomfortable or uneasy)
2. **They think about what they have to give and not about what they will gain.** (regret about the loss)
3. **They feel lonely even if others go through the same change** (the psychological structure changes since the people cannot think of its nature)
4. **People can handle only a specific kind of change.** (some might handle it but most of them will be destroyed)
5. **People show different levels of readiness for changes.** (they shouldn't be labelled or considered as either good or bad)
6. **People get concerned that they don't have enough resources.** (they should be helped to realize that there are more sources than they think there are)
7. **If the pressure is gone people will go back to the old habits and conduct.** (returning to the old state is a natural thing and wailing is not an activity)

There are strategies that help us deal with the resistance that comes as a reaction to certain changes:

- **Compulsive strategy** (compulsion, pressure, intimidation)
- **Rational-empirical strategy** (sharing of good and bad experiences)
- **Nominative-reductive strategy** (establishing of the procedure, rules of behaviour, training)

**The compulsive strategy** is, actually a direct approach, which is legal and authorized and there is only a one-way-communication from the initiator of the change to the person who is in charge of its implementation. But the process of implementing raises the need of the normative-reductive strategy.

**The rational-empirical strategy** may play the key role in the implementing phase. It is related to an approach which is based on expertise, and is directed towards the intellect

of those who are doing the job. The means used in this case are: books, lectures, or other printed material, and the communication is wide-ranged.

This strategy is about the use of other peoples' experience as well as our own and learning from them by accepting the positive experiences and avoiding the negative ones.

**The nominative-reductive strategy** concentrates on the attitudes, norms and opinions of those who are in charge of carrying out task. The approach is practiced in a group and the stress is on the two-way interpersonal communication. Characteristic for this strategy is the fact that it prefers defined strict rules of working that set clear rules and procedures in the structure and the process of changing. On the other hand, a need rises for a special training of the people involved, in order to give them additional knowledge and skills that are required by the process of implementation. This strategy is important for the implementation but it is absolutely necessary for the institutionalisation which always includes the change of the organizational culture.

Michael Fulan, suggests a model of conduct for the leaders in a situation of change, which includes the following directions:

- Readiness to work with the opposition
- To force changes, but also to enable personal studying.
- To be prepared to take a voyage into the unknown.
- To see the problems as an opportunity for creative decisions and solutions.
- To have a vision, but not to be blinded by it.
- To appreciate individuality as well as collectivity.
- To provide both centralized and decentralized forces.
- To be centrally unified, yet externally oriented.
- To appreciate the personal change as a way to the systematic change.
- To be self-conscious about the nature of the changes and the process of changing.

If we want to see where we have set off from and where we have arrived, we should follow the progress of the carried out change. That's why it is necessary to establish the starting position, make a suitable appraisal list and to measure the results of the accomplished work, without changing the activity.

“Whatever you measure you'll certainly get something”

In order to monitor the progress of changing we should use good measures. That involves: measuring all and not just one aspect of the change which should always be done on time and be simple, inexpensive and easy to understand. It is always good to compare the measures with the ones used by other organizations. This process represents the

monitoring of the initial and final results of the implemented change and they keep the balance between the competitive and the cooperative team work.

We should draw conclusions that when we carry out changes we can:

- Intensify the communication.
- Show dedication.
- To integrate new initiatives in the current work.
- To keep the attention.
- To learn from your own mistakes.
- To accept the ambiguity of the change.
- To expect and measure the results, but also focus on the process of studying.
- To leave or to continue when necessary.

We can conclude that with a well carried out and lead change in the organization we are going to accomplish a defined strategy, which is designed so as to achieve specific, previously set aims. It will also help the managers, the employees, the sponsors, the superiors, the followers and others to measure the achieved success. It means that we have found a suitable way of better working, or that we have used all the additional benefits or opportunities that have arisen from the new change.

## **A Study of a Case**

Analysis of the book: Who stole my cheese? By Spenser Jonson

The labyrinth as a synonym for change.

The cheese as a synonym of the wellbeing: it makes you happy.

For some the cheese represents gaining of certain material possessions, health, tranquillity, security, comfortable home and happy family, advancing in your career.

The powerful human convictions and emotions dominate and influence peoples' perspective of the world.

When a person feels good and all is well, he thinks it will last forever.

Success and comfort make people self-confident and arrogant, so they are not aware of what is going on in their surroundings.

Life and work is a labyrinth.

When in this labyrinth you find the cheese you like, you feel comfortable all is familiar to you and outside the labyrinth it is dangerous.

Winning is not working.

The more the cheese means to you the more you like it.

When you lose the cheese you get angry and frustrated, and you look for someone to blame.

In the change we should make difference between activity and productivity.

That is life- everything changes, so people have to change too.

What would you do if you were not afraid?

Sometimes things change and nothing will be the same any more

If people or organizations do not change they die out

Smell the cheese so that you will know when it starts to go off

If you go in an unknown direction you can find new cheese more easily

When you overcome fear, then you will feel free

When you can picture yourself eating the new cheese then that image will lead you to it.

The sooner you get over the old cheese the sooner you find the new one.

It is safer to roam through the labyrinth than to stay where there is no cheese.

Old beliefs won't lead you to the new cheese

Changes happen- someone always takes our cheese

Predict the changes- be prepared that the cheese will be gone

Monitor the changes- smell the cheese more frequently so that you can notice when it gets stale.

Swiftly adjust to the changes- the sooner you get over the old cheese the sooner you enjoy the new one.

Change yourself- go after the cheese.

Enjoy the changes- enjoy the adventure and the taste of the new cheese

Be prepared for a quick change and to enjoy it- the cheese keeps disappearing

An end or a new beginning!?



## Revision questions

- 1) How should a manager prepare for changes in the organization?
- 2) What challenges does a manager face in bringing new interventions in an organization?
- 3) Discuss the critical areas which a manager should consider in introducing changes in a health care organization.
- 4) How can a manager reduce the resistance to change in an organization?
- 5) What is the process which one needs to go through in managing change in an organization?

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## 8.1. What is business ethics?

The debate about the connection of ethics and working is two thousand years old, but all people do not perceive this connection in the same way. For some it is a waste of time and for some it is the key point to the success of the organisation. One thing is for sure and that is the fact that there are more and more people who emphasise the importance of the values and the way of working as an important condition to successful competition in the complex global economy.

That is why the managers at all levels should find the answers to the following questions:

- Why is it important to create a business environment?
- Why do people accept unethical conduct?
- What is the significance of the unethical conduct?
- How to create an ethical business environment?

There are certain criteria which give direction to every man's life. People are mostly unaware of their existence and origin but they are ever present and constantly influence and modify their conduct. The managers should know the following groups of criteria:

1. **Criteria set by the first employment.** Every person when first employed gets acquainted with a set of instructions, rules and directions that help him with his job. Those are actually the expectations that the superior and the organisation have and which should be obeyed.
2. **Criteria set in our childhood.** The criteria which are set by our seniors in our early childhood give direction to our lives, model our character, acting and working.
3. **Criteria set by our present employment.** Similarly to the first employment, the present one gives us set of directions for working, rules that have to be obeyed. These are being presented in several different ways: through specific assignments, informal talks or rule books.
4. **Criteria that the manager sets to others.** Every manager who has ever had the opportunity to work with people has had the chance to introduce someone new to the job. In the process of doing so he/she has set the criteria by explaining what is expected and required of him.

Each organisation has its own set of rules of working that may be put in a rule book, manual, or a book of directions, codex or other similar documents. No matter what their title is they all have the same goal and that is to explain the organizational structure and to set the criteria of conduct for the employees.

The content of the instructions for the organisation reflect the values of the management. It is especially important for this type of document that it includes an ethical code of conduct for the employees. Yet if it is only made of several sentences that are not applicable in everyday work, it doesn't serve its purpose.

There are several directions to be followed when setting the ethical criteria:

- **Always begin with yourself.** Each manager should set off from his/her own values that he/she thinks are applicable in the organization. The difficult part is how to enforce them.
- **To dedicate time-** The manager should find time to think of the ethics if he/she wants to look at it as if it were the basic life factor of the work.
- **To think of the ethical criteria.** The role of the manager is characterized by the process of thinking. The time dedicated to thinking is especially important for the analysis of the ethical issues in the organization.

There is a close correlation between the ethical conduct and the so called **ethical dilemmas**. These are situations which figuratively are neither completely white nor black. On the contrary, they are gray and they require of the manager to reach decisions about situations that are not regulated with laws, legislations, rules or statutes, and are not an absolute truth. Someone might turn to be hurt by the reached decisions. The ethical dilemmas always express doubts, such as: what if..., maybe, if I do that...

When a person is faced with an ethical dilemma, it is very difficult to choose the right decision. Additional obstacles that we can detect are the feelings such as anger, rage, bitterness, tension which certainly influence the person's reasoning. In cases like this, people tend to be edgy, with no wish to work and they spend most of their time searching for decisions. If the ethical dilemmas have such destructive influence over individual we could just imagine what damage they could make in the case of whole departments or organizations.

The disrespect of the ethical rules might contribute to the loosing of the image of the organization which might be presented to the public through the media.

Since early age we are brought up to be polite and to respect different rules and conventions and most of the people set for themselves examples that they would follow. They normally want to identify with a person that is respected by people for his moral and ethical conduct. They simply want to imitate or accept those manners that represent

a well-mannered conduct. So it is from early age that we learn that if we do not behave we will pay the price one day.

The Golden rule says that we should not do to others what we don't want them to do to us. Yet most of the people find themselves in situations when they do something unethical. In the business world it is quite frequent to use procedures that are not very ethical, but they are still undertaken. It is not uncommon that even people who are considered as trustworthy sometimes tell a lie or do dishonest things. For example it is very frequent for an honest person to sign in a registry under other persons' name in order to cover for a colleague who has not appeared on time, and if he gets caught he justifies himself by saying that he was just doing a favour for his friend. Is that ethical?

All people have their own set of rules, characteristics and beliefs. At the same time they have doubts, criteria and expectations, and each one is induced by different motives and needs. They all aspire to fulfil their wishes and carry out ideas.

The ethical consciousness might be influenced by different things which determine and modify the conduct. The wish to accomplish a certain goal creates a pressure the intensity of which differs from person to person. If that pressure is too strong it is normal for those people to act in an unethical way. Sometimes driven by the wish to impress their superiors they might, for example present their subordinates' report as theirs, and do an unethical thing.

It is a fact that the most frequent reason for an unethical conduct is the pressure that we feel and it brings all our weaknesses such as anger, jealousy, revenge, concern or concealing to the surface. It is very frequent that we accept a decision without considering it and it later turns out to be unethical and we have the feeling of regret as a result of it. Usually we don't ask ourselves whether there are other, alternative solutions, but we accept the first one that is offered or the first one that comes to our minds.

In the business world the managers should carefully consider their decisions, especially those that rise suspicion about their correctness. They have to think for themselves, for their subordinates and for the clients because it is very common that some not very ethical decisions have left serious consequences.

However, one thing is certain, and that is the fact that many people either individually or as a part of a team have reached unethical decisions. Some of them are quite innocent and harmless, but there are those that are shameful activities which leave serious consequences and what is even worse the ones responsible for them are not even prosecuted. But every success achieved with the help of a lie has its own price.

The price of unethical conduct in the world of business is quite high both for individuals and the organizations. Yet there is a difference between the consequences for individuals and those for the organizations.

The organizations might suffer the following consequences of unethical work:

- **Losing of faith:** The success of the business relationships is based on mutual trust. Due to unethical conduct we easily lose trust and this leads to the breaking up of the business relations with the partners and the clients.
- **Losing of the name:** The unsatisfied clients talk more about their dissatisfaction than about a good product. The lost reputation of the organization as a result of the deceiving of the clients' trust cannot be regained.

If a person is unethical then the consequences are more specific:

- **Lost trust.** If you lose your trust in some of the employees, then no one would like to share with him/her any information since they will be scared of his/her unethical conduct, snitching, stealing or similar things.
- **Not functioning of a team.** A team in which one or more members act unethically cannot function. There is no trust and the members of such teams do not attend the meetings. They are not ready to accept, share risks nor do they want to look for creative solutions.
- **Suspecting and self-evaluating.** If there is a case or cases of unethical conduct in the organization then the superiors start to doubt their ability for judging other peoples' personality. This feeling is even more intense if it is a case where the person turns out to be someone whom the superior trusted and respected. If this misjudgement happens more frequently the superior might be qualified as someone who cannot make a correct judgment of the character and he will lose his self-respect.
- **Reduced motivation for working.** When there is no trust then there is no enthusiasm in working. People tend to get very suspicious of their co workers and might doubt their superiors' ability to lead the organization. All this leads to the decrease of motivation which then leads to the decrease of the overall activity in the organisation.
- **Decrease of loyalty.** The loyalty that the employees have for their organization is inevitably connected with the feeling of belonging to the certain organization. In cases of reduced motivation and decrease of the productivity in the organization the employees start to doubt the success of their organization and it makes them feel alienated. They do not feel as if they belong to it and they don't think they should be loyal to it.
- **Quitting the job.** All the above mentioned reasons lead to the situation when the employee is completely dissatisfied with the job and the only way out

for him is to quit his job. At first sight this seems to be the most acceptable solution both for him and for the organization.

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If we want to restore the name and the reputation of the organization it would take a lot of time and money.

The organization that has acted unethically cannot invest in its growth and development, but it constantly regresses by trying to diminish the consequences of the unethical conduct.

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## 8.2. How to create an ethical business environment

The unethical conduct and working has many disadvantages and the price that the individual or the organization has to pay for it is too high. That is why it is important for each manager to know what to do in order to create an ethical business environment. In this case we should follow the given steps:

- Step 1:** Reaching the decision that we should dedicate time to the ethics.
- Step 2:** Setting an example to the others with your own conduct and values.
- Step 3:** Encouraging the ethical conduct
- Step 4:** Determining the ethical conduct.
- Step 5:** Applying the personal values.
- Step 6:** Training of the employees on ethics and ethical values.
- Step 7:** Consistency to the application of the ethical conduct.

The first step actually means the acceptance of the ethics as one of the most important conditions to achieving personal success and success of the organization. It is very important for this process to dedicate time to the thinking about the ethics. The second step is connected with the personal example that the manager should give to the employees. Every manager who gets a promotion changes his conduct and his decisions. He can set a personal example with the way in which he works and makes decisions. Most of his decisions are connected with the people that he is working with. He makes evaluation of their work, chooses people who will participate in a certain project, chooses associates, gives promotions, rewards or approves days-off.

All these activities are headed by previously reached decisions. The subordinates know that their salaries and their future career depend on their managers' decisions and evaluations. The manager is closely monitored by his subordinates and all his disadvantages will be brought to light. If he decides to accept the ethical conduct he should be very careful with the activities that he takes.

The third step is about the action, or the initiation of the ethical conduct. This has to be an initiative from the top. If the top management verbally supports the ethical conduct, but acts irresponsibly then it gives a negative example. In cases like this the subordinates will act similarly. It is not enough just to say that you are going to apply the ethical rules but you really have to do it.

It is very important to establish what the ethical conduct represents and to set the rules of the ethical conduct. This is done in accordance with the managers' opinion on the topic. The manager is the one who determines what is or isn't allowed and it is his job to specify how important this is for the organization.

The fifth step in the creation of the ethical business environment that supports the implementation of the values. This is also the job of the top management and it represents the practical use of what has been determined as organizational values. The leaders should set an example which will be followed and the determined values should be applied continually. All of the employees should go through a training period in order to be prepared to implement the ethical values. This training might be in a form of discussions about the dilemmas about the true values of the organizations but it might also have the form of joined meetings which will solve those dilemmas.

Classical training in a form of lectures which is done by professionals is also one of the possible ways of education.

The managers should encourage open agreement between the employees about the true nature of the ethical values. They should know that they can speak their mind without being punished because they might not share the same attitude as the top management. There is also great necessity for open cooperation among the employees in order to solve the ethical dilemmas and misunderstandings, which will lead to the creation of a climate of trust and cooperation that is ideal for development of the ethical environment.

At the end of the process of building the ethical environment, comes the need for consistency in the carrying out of the ethics. This means creation of an environment in which people will be ready to share their worries in connection with the values. But this also means consistency and application of all that has been accepted and agreed upon with no exception. This system includes punishment for those that will not obey the rules. Keeping to the rules of ethics will make it possible for every employee to be a better worker, manager or leader and most importantly, a better person.

### 8.3. Rules of conduct in the business world

The world of business has an unwritten set of rules of conduct that has to be obeyed if we want to have long and successful cooperation with our business partners. It will

also ensure the development and the improvement. The good business habits are gained through learning and practicing and their implementation might signify our superiority in comparison to our competition.

One of the basic rules of good conduct is **the constant concern with other peoples' interests and concerns**. In this phase it is very important to show solid personal values that arise from the respect that we have for the personality of other people (for example when the manager has to discipline someone he has to do that in a strict manner but with respect for the personality of the employee in question).

There are the so called "golden rules" that are the road sign to good business conduct:

**Honesty**- This quality makes a person reliable. It indicates that the person is trustworthy. He should not be doubted or otherwise the best business enterprises might fail.

**Manners**- These are matrixes of behaviour which show our collocutor, what kind of person they are dealing with. To have good manners means that we possess qualities such as selflessness, discipline and positive attitude towards the collocutor.

**Personality**- Each individual should strive to act in accordance with his personal values and attitudes. In that way he can set them off and can be valued by other people. But we should be careful in doing so and avoid overdoing it and become boring, or be considered as a vain person.

**Looks (Appearance)** - Looks is something very important when we get the overall impression of one person. That is why it is crucial for everyone to present themselves in the best light. We must never allow our looks to harm our image.

**Concern for others**- A successful businessman always tries to make a mental picture of the upcoming meeting in order to prepare himself and predict the possible reactions of his collocutors and in that way he will be able to answer the possible challenges. But this means that he should not look at the situation only from his perspective but also from the perspective of his collocutors.

**Tactfulness**-This rule is about the need to plan every activity and communication in advance. It is always better to think before saying something, and in a case of having dilemmas it is better not to say anything than to say something that you will later regret.

The relationship between the **subordinate and the superior** has some characteristics which make this relationship special and different from other relationships. No matter whether this relationship is more or less a little formal, we should always have the following in mind:

- **Respect for the hierarchy in the organisation:** The subordinate should always respect the decisions of his/her superior no matter if he/she agrees or disagrees with them. He can give his objections in private, while the debate is taking place, but after the decision is reached it is the duty of the subordinate to obey it.
- **Loyalty towards the superior and the organisation:** The individual must never give out confidential information or gossip about his/her superiors.
- **Direct conversation about the objections:** If we have objections in connection with the conduct of the superior we should talk to him directly.
- **Addressing the higher (top) management in case of dissatisfaction with the way the manager works:** In cases when the subordinate cannot adjust his/her opinion with the one of his/her superior he/she can address the higher manager. He/she is obliged to inform his/her superior about this. Taking any measures without the knowledge of his superior is unacceptable.
- **Unique style of conduct:** Every man has a personality that comprises of different styles, opinions and beliefs and has to earn the respect of his/her co-workers. Obeying the rules of the ethics will ensure that every employee, manager and leader is not only a better worker but a better person as well.

To ensure this process we should enforce the following measures and activities and enable the ethical conduct.

- **Setting up an ethics code** which will determine clear directions and principles that have to be followed by the employees. Around 90% of the American companies have an ethics code. The code of the American Banks comprises of 77 articles which give the details of the responsibilities of the institution and the employees. Lately the ethic code has been present in the companies in our country too.
- **The ethic training of the managers** is part of the development program for managers. This will ensure a more serious acceptance of the ethical principles and values.
- **Rewarding.** Through the evaluation of the finished work and the rewarding for good conduct, the employees get to respect the ethic principles, values and standards
- **Punishments (Fines)** The offenders of the ethic code in the organization should be punished since the punishment has generally had an educational effect in the real world of business.
- **Climate openness** This is a measure that contributes to the process of reaching decisions. It is important to ensure there is a difference in the attitudes and opinions concerning the ethical standards.
- **Internal programs for solving ethical conflicts:** Although these programs have proven to be effective in the everyday situations, only a few companies have such a program.



- **The ethics committee:** This is a committee which is made of members who are employees of the organization or are people coming from the outside world. It has the role of helping the managers in solving of the sensitive ethical issues.
- **The ethics defence counsellor:** It is a person responsible for the ethical part of the main decisions reached in the company. Another role of this ethical defence counsellor is to act as a supervising committee in charge of ethical issues.

### Determine what an ethical conduct is

- Is it all right to gossip about co-workers?
- Will you cooperate with the organization that has a questionable reputation?
- Do you put the accent on the short-term benefits?
- Is it ethical to tell on someone, to plant on someone, a lie in order to make look bad in the organisations.
- What should be the level of openness among the employees?
- What should the flow of information be like?
- What do we mean by the term „dignified” conduct?
- How much do you value confidentiality?
- What should be the relationship between the business partners, patients and other organisations like?
- What is your attitude towards responsibilities, agreements and meetings?
- What kind of mutual trust and respect do you have in the organisation?
- How loyal are the employees?



### Revision questions

1. What is the justification for health workers to act ethically?
2. Discuss the process of setting up an ethical code.
3. What is the role of a manager in setting up and following an ethical code?
4. What advantages does a health facility get when it sets up an ethical conduct?
5. Discuss the challenges that organizations get when members are given an ethical code to follow. How can they minimize the challenges?

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## 9.1. Principles

Each of us has a variety of schemes (plans) in our head which can be divided into two categories: schemes (mental models) of things like-paradigms of reality, and schemes of things like they should be-paradigms of values (Covi, R.S.(1998) Seven Habits of Successful People-restoring of the ethical character, Belgrade( translated by Miroslav Bojic, page 24)

All that we experience in life can be interpreted with the help of these mental models. We rarely stop to ask ourselves whether they are correct (usually we are not aware of their existence).

We normally assume that things are as they are, as we see them or as we think they should be. Our attitudes and our conduct result from these assumptions. The change of the paradigm is accomplished by demonstrating a perception (the „aha!“ effect). In order to perceive things differently, we should first change the paradigm and try to be different.

Paradigms are an inseparable part of a character. What we see is what we are. The ethics of the character is based on the fundamental idea according to which there are principles that govern the success of people. The principles that we are talking about are not esoteric, mysterious or religious. These principles which are actually laws of nature are part of peoples ‘destiny of their consciousness and their conscience. They are a part of each of us no matter whether we respect them or not and no matter what the social conditions are.

**The basic principles are.** (Covi, R.S.(1998) Seven Habits of Successful People-restoring of the ethical character, Belgrade( translated by Miroslav Bojic) page 32)

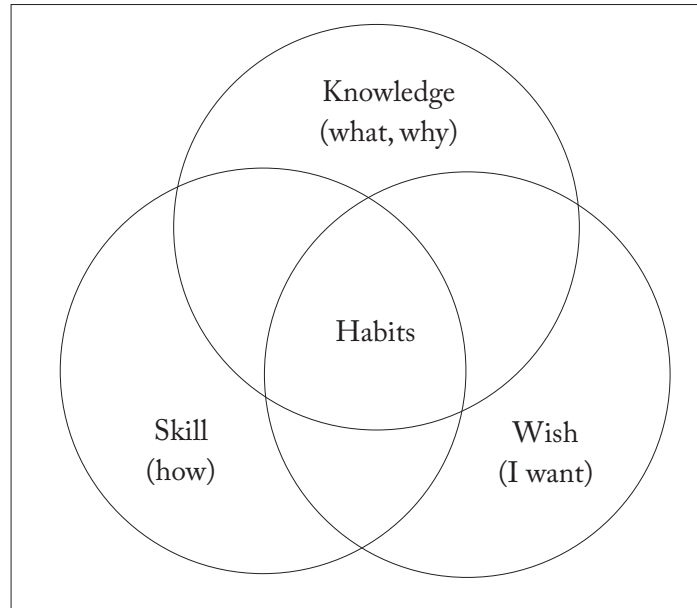
- **The principle of honesty:** This principle is used as the basis out of which the concept of equality and justice is derived.
- **The principle of honour and being honest:** This is the principle where we can find the foundations of trust. They are of exceptional importance for the cooperation and the interpersonal growth.
- **The principle of human dignity and pride:** It represents the right to life, freedom, and happiness.

- **The principle of service**, or the idea of contribution.
- **The principle of quality and perfection**, or the principle of mastery.
- **The principle of potential and the principle of growth:** is a principle of releasing the potential and developing of the talent. It is accompanied by the principles of patience, persistence, good manners and support.
- **The principle of understanding and tolerance.**

Principle is not practice, since practice is an activity or a process. Practice represents a certain situation, while principles are deep, basic truths with universal meaning and application. They are applicable in the cases of individuals, married couples' families as well as in cases of private or public institutions. When these truths get accepted they turn into **habits**. Principles are not values. If we think of principles as if they represent theory, then values represent maps. When values match principles then what we have is truth. That means that we know things as they really are. Principles represent directions for human behaviour that holds true value.

The intensity of thinking varies in different people, which is taken as a foundation for the seven habits of the successful people (Covey, R.S. (1992) *Principle-Centred Leadership*, New York: A Fireside book, page 40-47). This is about the approach of personal and interpersonal efficiency, which is initiated from the inside ( from the inside to the outside), aimed at the principles and based on the character.

The inside-outside approach is used in cases when we start from ourselves, with our paradigms, motives and characters. Covey has described the habits as inside (internal) principles and models of behaviour. He sees them as a product of knowledge, skills, personal wish or motivation. Due to the fact that these three parts are more as a result of studying than of inheritance, our habits are our second nature.



The habits of efficiency can be acquired with studying, while the habits of inefficiency are acquired without studying.

## 9.2. The habits of successful people

Efficient people base their habits of success on their everyday work. By suppressing their personal resistance to performing certain assignments, they develop the seven habits and bring discipline into their lives. These seven habits are connected to each other.

**First habit:** Be proactive. It is a habit of personal vision and means that you take responsibility for your own actions and attitudes, but it also means that you take initiative. The proactive people develop the ability to select their reactions and turn them so that they represent their values more than they represent their present mood and conditions.

It is important to emphasise that the more we train ourselves to express the freedom of our choices of our reactions the more we become proactive. The key to achieving success in this is to be kind and tolerant and not judgmental. We should set the example and be a model and not a critic, which actually means being a programmer and not a programme.

**Second habit:** Start the things with the final goal in mind (principle of personal leadership). This means that we should start every day with a clear idea of the reached decision and the determined goal. We can find the essence of these habits in the awareness of the questions: Where do you want to go? What do you want to be? What do you want to achieve?

The efficient people start from the fact that all things are created in our thoughts first and then they happen in the physical world. They clarify the priorities and the values before selecting the goals and getting to their execution.

Contrary to them the inefficient people allow the old habits, other people, or the conditions in their surroundings to dictate the mental creation of their goal.

**Third habit: Put the right things in the right place** (the principle of self-governing).

This concerns the identification of the real priorities in the light of what is to be achieved at the end. It is a habit which makes it possible for us to say “no” to the things that do not matter. Only by “turning our back on “the things that are not important can we dedicate ourselves to the resolving of the important once. This habit is all about the proper organisation and governing of the time and people that are connected with our personal priorities.

**Fourth habit: Think positively in the spirit-“my victory is your victory, is our victory”.**

This habit is related to the search of success or benefit. It is a case when all the sides can benefit with the establishment of the proper relationship, from the search for solutions and through negotiations. In the family as well as in work efficiency is reached with the joined effort of many people. The habit “win-win” represents the search for mutual benefit. It is accomplished by trying out all the possibilities until the satisfactory solution is reached.

**Fifth habit: Try to understand others before they understand you** (the principle of emphatic communication). This principle is concerned with the development of the listening skills. This means that before doing something we should carefully consider it, which actually represents an effort to understand other people. This habit is the key to establishing the “win-win” style, but at the same time it is the essence of expertise. Most of the problems connected with stability come from differences in perceptions of things. In order to overcome this, we need to dedicate special attention to the unambiguousness or to the understanding of other peoples’ perspective. Emphatic listening is actually a psychological therapy, because when people feel that someone understands them, their “defence” becomes unaggressive. Emphatic listening is actually a process performed on three levels: with our ears, with our eyes and our hearts.

**Sixth habit: Joined action-synergy** (a principle of creative cooperation-team work).

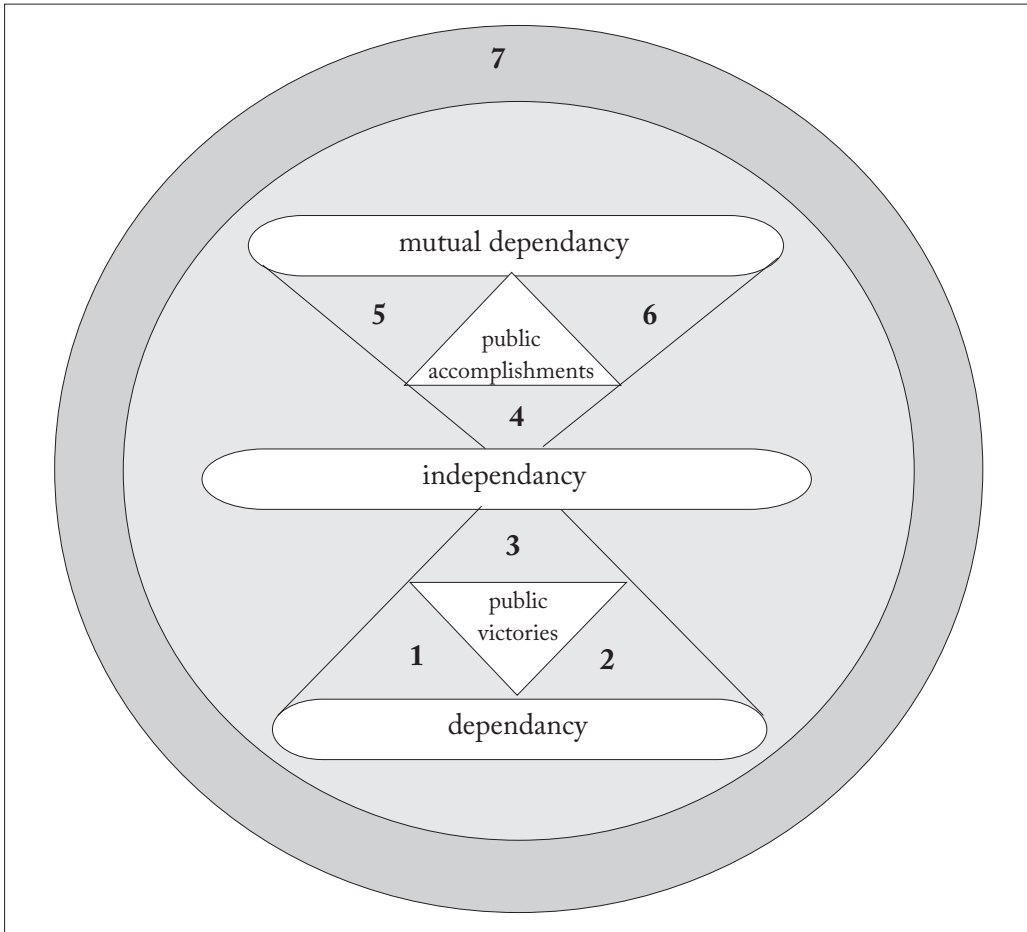
This principle points out the necessity of creative completion. The synergy comes as a result of the respect for the differences in the opinions of different individuals, or simply as a result of the mutual understanding. It is for this reasons that people feel free to choose the best alternative. It is a special approach to the solving of the problem, and it is completely different from the approach “Please calm down”.

**Seventh habit: “Sharpening of the saw”-recharging of energy** (the principle of self-renewing).

This habit is evident in the constant search of time for mental (personal contemplation), physical, emotional and spiritual renewing. This habit gives us strength and power to use all the other previously mentioned habits. The preparation for an action or the so called „sharpening of the saw” frequently represents the process of establishing balance, or the so called conditioning. It is a systematic process of personal programming in four different fields of life. The first aspect, or the physical renewal, means that we take care of our health, nutrition and physical activity. The second aspect, or the mental one, is connected with our constant need for education in order to ensure a continuous development. The emotional development of the positive relationship with other people and the spiritual enrichment of your life are also very important. If there is no discipline the human body weakens physically, gets irresolute, the thoughts are mechanical, the emotions get cruel and the spirit “falls” or “gets lost” and the person turns insensitive or selfish. It is generally known that we harvest what we plant. The successful life harvest means that we have nurtured the seven habits of efficiency and have lived in accordance with the previously set principles. Each of these seven habits has its own place in the process of reaching maturity or the so called continuum of maturity. Here we distinguish three different levels: dependency, independency and mutual dependency.

The first three habits can be found between the first level and the level of independency while the fourth, fifth and the sixth habit are situated between the level of independency and the level of mutual dependency. The seventh level applies for the whole continuum of maturity.

*Levels in the continuum of maturity*



9.3. The matrix of the personal management

The best way to manage the time is to create a personal matrix of your personal management. After establishing the values we need to set our priorities and divide the things into important and not important, of urgent and not urgent. In the given example we have presented some activities that belong to each of these groups.



| Tasks         | Urgent  | Not urgent   |
|---------------|---|--|
| Important     | <b>I. Crisis</b><br><b>Crisis</b><br><b>Burning issues</b><br><b>Things done “in a minute to twelve”</b>                      | II. Planning<br>Prevention<br>Building of relations<br>Planning<br>Recreation<br>New possibilities |
| Not important | III. Current activities<br>Interruptions<br>Phone calls<br>Mail<br>Unimportant reports<br>Some meetings<br>Popular activities | IV. Trivial activities<br>Wasting time<br>Cafe break<br>Parties                                    |

The most frequent questions in connection with this matrix are the following:

- How can we decide between the urgent and the important things that we are faced with?
- Is it a bad sign if we decide that we belong to the first quadrant?

The personal time management represents a systematic application of simple strategies that are based on common sense. It might be tedious but it leads to better efficiency in the distribution of our time and to focusing on the chosen activities. The personal time management does not solve our problems but reveals them and helps us to gain control over our time. This means that we would be able to use our time to our advantage. In this process of managing time we go through the so called 3E principle:

- **effect** - long-term desired results
- **efficiency**- the best results with the least of effort or costs
- **simplicity**-seems as if effortless, ordinary, easy

The personal time management is an approach to life and work which affirms the strong or positive sides and puts under control the weak resources. When we do not have our personal time management we are in panic to beat the deadlines and to attend the meetings overflowing with burning issues and all this without any benefit from it but with sleepless nights and crisis that do not lead us anywhere. It has to be emphasized that all this causes uncontrolled stress and lowers our motivation for work so it has to be stopped. The bad time management is usually a result of our wish to embark on big assignments. We have to have in mind that what we learn while doing the little assignments gives the best results when used in the biggest assignments.

What is really interesting is that the personal time management is actually very simple time table or an idea of how to plan our activities. But it is also a complex tool for systematic arranging of the events and it relies on other managing skills such as: the effective delegating and planning of work.

The personal time management is accomplished with the application of the following rules:

- elimination of timewaster
- readiness to attend meetings
- elimination of excessive costs in the working
- monitoring of progress of work
- setting aside time for the most important assignments
- working on the long-term goals
- effective planning-every day
- efficient planning-every week
- In order to do this you need self-discipline

Set some time aside for your rest

The greatest things are not our loudest hours, but the quietest ones

The character features of the people that have not made it in life or work

- rudeness, having no feelings for others
- cold and arrogant conduct
- abusing someone's trust
- being over-ambitious
- incorrect presentation of the problems
- incapable of delegating authority and responsibility
- not knowing how to form a team
- incapable of strategic thinking
- selfishness

### **Start with a positive attitude**

It is always the same we rush off to work sleepy, without any breakfast and under pressure that we are late. This kind of a start usually makes your day a failure. When we wake up in the morning we should:

- Wake up on time- wake up in leisure
- have breakfast with your family
- enjoy your preparations for your upcoming day
- drive carefully to work

Try to enjoy something because your good mood has influence over your success in performing certain tasks during the day. If you think positively you act positively.

In order to keep your positive attitude you should follow these three rules:

- You should do something that gives you pleasure.
- You should do something that will bring you close to your personal goals.
- You should do something that balances your private and professional life.

Before you embark on performing the tasks planned for the day you should prepare yourself by:

- **Looking over the daily schedule (that you have prepared the previous day) taking into consideration the routine tasks and aims and keeping to the arrangement that lines them according to their importance.**
- **Preparing the necessary documents for the completion of the priority tasks.**
- At the end of the day, before you rush off home you should relax and slowly prepare for the evening that is ahead of you.
- **Make comparison between the set and the accomplished goals for the day.**
- **Make a list of the tasks that haven't been completed and transfer them to the next day.**
- **Make a schedule of the following day so that you will not have to think about your tasks for the next day while you rest at home.**
- **Think positively of the quality of the day that you have completed in order to contribute to your personal satisfaction.**
- Think of ways that will make your evening a pleasurable one.



## Revision questions

1. Using an example of a successful person, describe why you think that person has been successful.
2. What are the habits of successful people?
3. How does a health organization in which a person is working influence one's chances of success?
4. What should a manager do to enable the health workers under him/her become successful?

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# 10.

## Time management

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Nowadays when we live our lives in a frantic pace we can frequently hear the phrase: “I don’t have time”, which is usually accompanied by some of these statements:

- I need more time
- I am constantly in a rush
- I never have time for myself
- I have so many obligations! What should I do first?
- Everyone is dissatisfied since I cannot meet my targets.

These and other sentences are used on everyday basis by thousands of people, and therefore people have thought of efficient ways of planning time and have developed Time Management. This time management, or the so called management of time, makes it possible for us to take control over our lives. Its foundations are in one of the seven habits of the highly effective people-putting the most important thing in the first place.

In the past fifty years, the management of time with its techniques and methods has gone through some major changes. The simplest way to manage your time is to use reminders. In this case we do not actually plan our time but we just make notes or check whether we have accomplished our plans. This gives the opportunity to switch all the unfinished tasks to the next day. This is not a way to arrange the tasks according to importance ( more and less important tasks), yet this kind of planning, which is not very formal, makes it possible for us to make changes when something new or unplanned turns up. Their major disadvantage is that they leave you without true orientation and lot of important things are left unfinished. Some of the things that you have written down in your reminder do not get finished and you constantly find yourselves in a situation of crises when things pile up and time runs out on you.

The second type of managing time is to plan the assignments by writing them down in a planner or by using a calendar. Up to some level time can be planned in this way but still it doesn’t help us separate the important from the unimportant things.

The true managing of time includes **planning, setting up your priorities and controlling.** In this kind of planning the most important phase is the determination of the values and the setting of the priorities. The main characteristic of this type of managing of time is

the ability to establish the values and to set the priorities. In order to accomplish the set values we need to determine the long term and the short term goals and then we should define the activities that need to be undertaken in order to complete these goals.

In this way we manage to establish the sequence of the life processes. However we have to admit that this way has a lot of disadvantages that we can identify such as: the danger of being inflexible, the feeling of guilt over not completing the set goals, the neglecting of other people and their responsibilities and in some ways the alienation from people that are close to us. These weaknesses appear in cases when the person who wants to manage time is not trained enough for this process, and wants to accomplish the set goals at any cost.

### 10.1. Use your time the best way you can

There are very few people who can say that they have enough time, yet there is always time in abundance. We have so little time and yet we have time to waste.

Time is the most valuable asset that we have, and time is worth money. Time as capital, should be wisely invested. One of the ways in which you can describe your life is as the time spent on the planet Earth, and the greatest task in your life is to use your time in the best way you can.

- Time is a valuable capital
- Time is a rare commodity
- Time cannot be bought
- Time cannot be stored
- Time cannot be continued (Time cannot move at once convenience)
- Time flows and is irreversible
- Time is life

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You cannot stop time! How much is one hour worth in your life? Do you value your time as much as you value your money?

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Every day you have 24 hours at your disposal to organise your life and your work. Many people want to spend their hours as effectively as they can. Some of those hours should be dedicated to rest and fun but mostly our time is dedicated to work.

With the invention of the cellars and the e-mail we have been literally available for 24 hours, and it is sometimes hard to separate the time dedicated to work from the time dedicated to fun and rest. This raises several questions:

- What is this due to?

- Is it because of the pressure to be successful in your work?
- Is it because of the struggle for prosperity?
- Is it because we think of ourselves as irreplaceable?

Actually, working hard doesn't necessarily guarantee success, but it might cause stress or after effects. What is most important is not to lose your focus and not to allow other people dictate your time.

The only way to get out of the frantic pace of modern life is to bring some changes and to try to have control over your life again. Every person has to set his/her priorities: work, spent time with his,her family, contribution to the community in order to help others or simply to find freedom. No matter what the answers to these questions are, everyone should concentrate on the following:

- The way that we spend our time
- The help that we need
- What is the most important thing?
- What is the reason for taking control over the day?

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If the present approach to time managing does not give positive results, then try some other way.

If you want to be better in managing your time you should first start by managing yourself!

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In the business world the degree of used human potential is estimated at 30 to 40%, which means that men waste 60% of their working time. Most of this time is wasted on not clearly set goals, plans, priorities and perspectives.

Which of the following statements do you agree with?

- Lots of people who are exclusively successful or career oriented complain of lack of time and they are **overburdened with work** (the syndrome of overtime working)

- Lots of people feel that they are under pressure (stressed). They frequently perform more than one task and have great responsibility and work load. They also might have difficulties meeting the dead line, have too many assignments and responsibilities which contribute to the time pressure and stress.
- Lots of people do not have control over their work, but **their work controls them**. The most frequent problem in connection with this is that instead of taking initiative you react to the set assignments. Although you seem to be constantly busy with clients, your superior, colleagues, phone calls, and other tasks, the final outcome or the results are minimal (unnoticeable).
- Lots of managers finish their assignments at home after their working hours because they do not have enough time during their working hours due to the frequent interruptions (**drawing of the attention**). The too long meetings might change the planned schedule and disrupt the day so the managers' attention might be drawn to peripheral things.
- Research has shown that for most of these people the main problem is the **conflict between the time spent on working and their free time**. The time spent in your profession and overtime work cannot be spent on your family and this naturally results in frustrations.

### *Correctly used time*

The correct use of your time, which is valuable but also limited, can only be achieved self-consciously, continuously and with constant time management.

### *Time management*

If you manage your time it means that you control your time and not that the time controls you.

### *Observation*

All successful people have something in common: at a certain point of their lives they **have asked** themselves what they can do to bring those benefits or an accumulation of capital called **personal (private) time**.

### *Goals*

Life could be completely successful (complete) only if it is based on a well thought of concept of time or **concept of life**: you must strive to use your time in order to achieve your professional and personal goals. This is the only way of achieving balance between the dealing with the everyday activities and assignments on one side and the guarding of your personal satisfaction and progress on the other side.

### *Success*

It doesn't matter which direction the wind blows- the only thing that is important is how you adjust your sails! The successful management of time offers you a new approach to:

- **Perspective:** better understanding of the activities that need to be finished and of the priorities.
- **Creativity:** more opportunities to be **creative (showing initiative instead of reaction)**
- **Diminishing of stress:** dealing with, diminishing or avoiding **stress**.
- **Free time:** making more **free time** for your family, friends and for you.
- **Goals in life:** systematic accomplishment of your goals so that your life gains purpose.

### *Set time aside for*

**Work-** since it is the prize of success

**Thinking-** that is the source of power

**Fun-** that is the secret of eternal youth

**Reading-** that is the fountain of wisdom

**Friendship-** that is the way to happiness

**Love-** that is the joy in life

**Laughter-** that is the music for the soul

*(taken from an old English prayer)*

## 10.2. Identify the time thieves

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Part of our time is stolen or tricked from us, and what is left seems to disappear.  
*(Seneca)*

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The most frequent reason for things not going the way you have planned are the constant **interruptions during your working**. Sometimes they are your fault, but sometimes others are to be blamed.

Start **analyzing your working habits (self-analysis)**.

Who or what steals (takes) your time?

**A questionnaire which will help you discover more about your working habits and the time thieves:**

The following questions will help you recognize the things that take your time away from your work.



| Self-evaluation: My time thieves   | Correct       |            |           |              |
|--|---------------|------------|-----------|--------------|
|  | Almost always | Frequently | Sometimes | Almost never |
| <p><b>1. The telephone</b><br/>It constantly interrupts me and the conversation lasts more than usual or necessary</p>   |               |            |           |              |
| <p><b>2. Lots of visitors</b><br/>I am frequently trespassed by the visitors in or outside my company</p>  |               |            |           |              |
| <p><b>3. Meetings</b><br/>They frequently last too long and are unsatisfactory</p>   |               |            |           |              |
| <p><b>4. Demanding assignment</b><br/>It is an assignment that requires more time than usual to be finished so I either postpone it or I have difficulties in finishing it since I have the feeling that I will never have enough silence for it</p> |               |            |           |              |
| <p><b>5. I do not have priorities</b><br/>I don't have priorities and I want to accomplish everything immediately. I spend too much time on trivial unimportant things and cannot concentrate on the important ones.</p>                             |               |            |           |              |
| <p><b>6. Dead line pressure</b><br/>Usually I have problems in having results simply because I am <b>under pressure of a dead line</b>, because I undertake more than I can finish or unexpected things appear</p>                                   |               |            |           |              |
| <p><b>7. Paperwork</b><br/>I have too much paperwork piled on my desk. The correspondence and the reading of it take too much time. My working space is not very tidy either.</p>  |               |            |           |              |
| <p><b>8. Communication</b><br/>Very often I do not have sufficient communication with the others. There is regular delay in the flow of <b>information</b>, misunderstandings and awkward situations, bad feelings</p>                               |               |            |           |              |
| <p><b>9. Delegating</b><br/>The delegated assignments rarely get finished and I frequently end up finishing them myself</p>  |               |            |           |              |

|  |  |  |  |  |
|--|--|--|--|--|
| <p><b>10. Cannot say No</b><br/>It is difficult for me <b>to say No</b> when other people ask something of me while I should be doing my work</p>  |  |  |  |  |
| <p><b>11. No clear goals</b><br/>I do not have clear professional or personal <b>goals</b>. I often find it difficult to understand the essence of what I do every day</p>   |  |  |  |  |
| <p><b>12. Self-discipline</b><br/>Sometimes I do not have the necessary <b>self-discipline</b> to enforce what I have decided upon<br/>Sum up the results ( do not forget to<br/>Multiply them with the numbers x0 x1 x2 x3<br/>given at the bottom of the column) = 0</p> |  |  |  |  |

**Total= ..... points**

## Results

**0-17 points:** You do not plan your time and you allow other people to run your schedule. You cannot even manage yourself and not to speak of others. The start of managing/governing your time will be a new start in your life and will lead you to success.

**18-24 points:** You make efforts to organise your time but you are not persistent enough in order to be successful in it.

**25-30 points:** You manage your time quite successfully but you can do better.

**31-36 points:** Congratulations (if you were truthful in your answers)! You can be an example to the others who would like to learn how to manage their time. Let others learn from your experience and give them the foundations for managing time.

### 10.3. Determine your personal goals

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When losing our goal, We double the used effort. (*Mark Twain*)

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The successful managing/governing is possible only when we have a clearly set goal which is followed by controlling (monitoring) in order to check whether the goals have been achieved. **Goals** represent a challenge for all the participants and stimulate **action**: you know where you are headed to and what you want to achieve (**results**). Simultaneously, these goals set the **standards** for the process of evaluation of the way in which this has been accomplished. Managing by simply following the set goals is both an effective and acceptable approach used in corporations and in cases of managing employees.

## The goals in life, today's tasks-tomorrows success

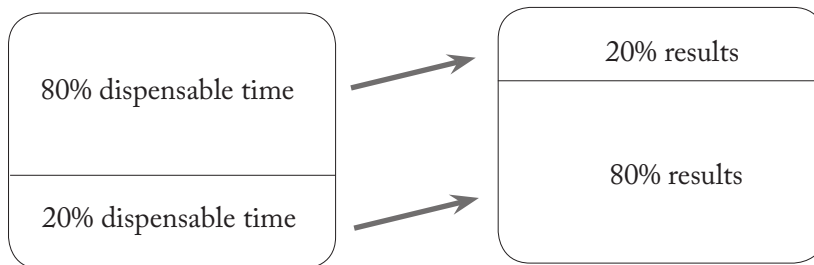
Besides successful companies, successful individuals have unshakable (clearly defined) **goals**. To be successful means that you have a well thought of **concept** in your life. This means that you have set goals that concern your career and your personal life. It is the only way to establish the direct connection between the varieties of tasks of today and tomorrow with the satisfaction of tomorrows' day.

## Perspectives, priorities, skills

Only those who have a clearly set /determined goals can keep the **perspective** in this chaotic everyday life. Even in situations where he or she is overburdened with work he or she can correctly set the **priorities** and knows how to optimize **the skills** in order to accomplish the goals with swiftness and certainty. The same can be applied in your professional life, leisure time and family life.

The person that strives to accomplishing the consciously set goals simultaneously directs his/her sub consciousness towards the accomplishment of the goals with the help of self-initiative and self-discipline. If we have clearly set goals it is easier to direct our energy towards their accomplishment. It is not always a question of what you do but how you do it. The setting of the goals is the key to the successful managing of time.

**The rule of Pareto= 20% invested or available time gives 80% results and reverse, 80% invested or available time gives 20% results**



But where should we start from? Most of the people waste their precious time on petty , irrelevant problems while they should be dedicating their time to few necessary activities. Yet with only 20% of effective use of our time we accomplish the following results:

- 20% of the final results or products/services are the reason for 80% profit
- 20% of products/series that are damaged/flawed cause 80% return of the products
- 20% of the daily newspaper has 80% of daily news
- 20% of the time spent on meetings brings 80% of the decisions
- 20% of office work gives 80% success in work

This correlation of 80:20 was first explained by the Italian economist Vilfredo Pareto in the 19 century. Pareto estimated that 20% of the worlds' population holds 80% of the national treasure.

#### 10.4. Prepare your plan in a written form

### What you sow is what you harvest!

The better we plan our time the better we accomplish our personal and professional goals. Planning means preparation for the realization of the personal goals. The main advantage of planning that with it we **save time**.

Business experience points out that the more we spend time on planning the less is spent on enforcing and when we look at it from a long term perspective we save time.

**8 minutes spent on planning mean one hour more for doing more important things.  
(8 minutes planning= one saved hour)**

| Which are the advantages of the planned time?  | Correct/Incorrect |
|--|-------------------|
| The personal and the professional goals are accomplished in a better way if there is greater trust                 |                   |
| We save time in order to spend it on important tasks and goals (managing, colleagues, thinking, family, free time) |                   |
| You have enough time to follow all the projects, assignments and activities.                                       |                   |
| The everyday stress is reduced and you have more organized daily schedule  |                   |

The advantages of planned time are: accomplishment of goals, saved time, reducing stress. One of the best rules in planning is to put everything on paper/to write it down.

- The schedules that are only in your head are harder to control (far from eyes far from heart) and are far easier to avoid.
- The written schedule means less to remember.
- The written schedule has a psychological effect which causes self-motivation
- There is less distraction.
- By checking the days' results you control the fulfilment of the carried out assignments.
- The written schedule put into a file functions as an archive which might be used as an evidence of the carried out activities.

## **An interesting anecdote**

A hitchhiker was walking through the woods when he saw a woodcutter who had been diligently and painstakingly cutting a trunk into smaller pieces. He approached the woodcutter to see why he was having difficulties and said:

Excuse me, I couldn't but oversee that your saw is very blunt! Wouldn't it be better to sharpen it?

Breathlessly, the woodcutter answered: I don't have time- I have to finish the cutting!

And let me ask you: When do you intend on sharpening your saw?

## 10.5. Use daily schedules

The more accurately you plan, the lesser the chances of being caught unprepared

When you work according to a plan it is important to make a separate plan for each day.

- A day is the smallest unit of measurement for systematic showing of time that can be managed
- If the day has been a failure there is always a new day/another day (a new beginning)
- If your daily routines cannot be controlled with planning it is impossible to carry out the long term plans (monthly, annual).

One realistically shown daily agenda should include only things that are important. The more you think of your goals as of realistically set once the more you strive for their accomplishment.

**The LEADS (leadership) method is a relatively simple one and all you need is 8 minutes set aside a day for planning, and you will have more time for the important things**

List activities (put the activities in a list)

Estimate time needed (estimate the time needed)

Allow time for unscheduled tasks (set time aside for unpredicted things)

Decide on priorities (set your priorities)

Scan scheduled tasks at the end of the day (look through the set tasks at the end of the day)

## Make a list of tasks, activities and dead line

|                          |  |
|--------------------------|--|
| <b>Tasks</b>             | Make a check list to see which are the working obligations that have a dead line |
| <b>Unfinished things</b> | Check the unfinished things from the previous days' list pad                     |
| <b>Unexpected things</b> | Introduce new work assignments into the list                                     |
| <b>Dead line</b>         | Set the dead line for each assignment that is to be obeyed                       |
| <b>Regular events</b>    | Introduce some regular events such as lectures, Dean management into the list    |

## Estimate the time needed for the accomplishment of assignments

Have in mind the approximate time needed for the accomplishment of the assignments.

Take care that you do not overdo:

- Time is limited. Eight hours are only eight hours.
- It has been proven in praxis that we frequently overrate what could be accomplished in a certain period so we plan more activities than could be realistically carried out.
- It results in unnecessary frustration and diminished wish to carry out the daily assignments.
- Estimate the spent time like you estimate spent money.
- Make a rough estimation of how much time you would need to carry out the activities.
- Time is more important than money.
- When you spend money you make an estimation of how much the product that you intend to buy will cost you.
- Why wouldn't you do the same with your time?
- Set your time boundaries
- A rule says that the time that you have at your disposal to finish something is the time that you really need to do it!?
- It is similar to your budget-you spend as much as you have!
- The fact that you estimate the time needed for the task, shows that you commit yourself to staying within the time boundaries.

Eliminate the interruptions during your work. If you have a limited time to carry out a certain task this will make you more concentrated on its realization and you will be able to handle the interruptions in a more determined way.

## Set time aside for unplanned tasks

Make a schedule for part of your working day. According to praxis it is about 60% from your time (basic principle for making time schedule). Things like unplanned requirements, interruptions in the work, the time thieves and the personal needs make it necessary for us to set some time aside for the unpredicted things.

According to this, your schedule should be divided into three blocks:

- Around 60% go to the planned activities (daily schedule)
- Around 20% go to the unpredicted activities (interruptions in the work, time thieves)
- Around 20% go to the spontaneous and social activities (creative time)

If you want to be extra careful make plans for 50% of the time and leave the other 50% for the so called tampon time.

Taking into consideration the tendency for assigning more than you can make in one work day (more than 50–60% of the work day) you should bring down the list of the tasks to a level that you can really reach:

- setting of priorities
- choosiness
- delegating

The rest should be postponed, rescheduled, cancelled or you can work overtime.

If you constantly postpone your work it might cause some problems. There are two ways to avoid this:

- You can finally finish the task
- You can sign out the task because it must have been finished by itself.

## The set priorities

There are two basic problems in the management: **the constant risk of doing too many things at one time** and the risk of **dispersing your energy on more individual tasks**. At the end of the day you might realize that although you have worked hard all day long, the important tasks have been left unfinished or undone. Most of the people have too many obligations. When they have to decide what to do and in which order they usually do the following:

They do what they want and not what they should do.

They start with the easier tasks because it gives them the feeling of satisfaction.

They think they should prioritize every task that they faced with.

They finish the real priorities or what is really important only when they face the serious problems.

You can recognize a successful manager by his skill to deal with multiple and variety of tasks and at the same time dedicate his time to doing only one task. This means that they always deal with one task at a time and they do it with determination and consistence. In order to do this you need **clear priorities** and **the skill to stick to them**.

Setting the priorities means that you have the ability to decide what are the things with the greatest priority, what are the once that have less priority and so on. The greatest priorities are done first.

The advantage of setting the priorities, or arranging the tasks according to their importance, is in the accomplishment of the following:

- You first do the important things.
- If needed you work on other tasks depending on their urgency.
- You concentrate on one assignment at a time.
- You are more efficient in the carrying out of the assignments if you do it in the time assigned for it.
- The goals are accomplished as much as the conditions allow.
- All other tasks that can be performed by others are set aside and are delegated.
- At the end of the planned activities (for example: at the end of the working day) the most important tasks have been carried out.
- You evaluate your success according to the carried out tasks.

### **Positive effects**

- The dead line has been kept
- A more satisfactory flow of the process and results from the work
- Greater satisfaction among the colleagues and the superiors
- Avoiding of conflicts
- Enhanced personal satisfaction and avoiding of the unnecessary stress

### **ABC Analysis**

The analysis used for the evaluation of the spent time shows relativity in connection with the time spent on the carrying out of the assignment:

A-very important task

B-an important task

C-less important task depending on the role of the performer of the task



## Analysis of the values of the activity or the ABC method

|   |                      |                      |                      |
|---|----------------------|----------------------|----------------------|
| Quality of the performed task/activity              | 65%                  | 20%                  | 15%                  |
| Type of task  | Tasks of the A group | Tasks of the B group | Tasks of the C group |
| Degree of importance of the tasks                   | Very important       | Important            | Less important       |
| The real time spent on the carrying out of the task | 15%                  | 20%                  | 65%                  |

Time is usually spent on trivial things (B) and the few important tasks get neglected. The secret of the well managed time lies in the well scheduled activities with clear priorities arranged according to the ABC classification system:

- **The tasks in group A are the most important tasks of the management.** They can be successfully carried out by one person or a team (**but cannot be delegated to others**) and are of crucial importance for the performing of the managing function.
- **The tasks in group B are important but can be delegated to others**
- **The tasks in group C are less important for the performance of the function** but are the most numerous once (routine tasks, paper work, reading, correspondence and other administrative work).

The ABC analysis doesn't mean that we should only do the tasks from the group A and transfer the tasks from group B completely to others, rather that we should balance them. We should distribute the responsibilities in a form of daily assignments by setting our priorities.

### Take care of the line of realization

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“One who gets up early has more time to accomplish his tasks as compared to a late riser. He is blessed with good health, beauty and sharp intellect.”

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During the day our potential for work fluctuates and although there are differences in the cases of different people we can reach the following conclusion:

- The maximum potential for performance is found in the mornings, and it does no re-appear during the rest of the day.
- During the afternoon hours, we go through the so called inactive period after our lunch. Some try to overcome this problem by having a strong coffee which only prolongs things.

- The second increase in the performance potential emerges in the late afternoon hours. It stays until it reaches its peak a few hours after midnight.

You all seem to deal with these fluctuations. You should get to know your daily rhythm so that you can plan for the more complicated and important tasks (tasks of the group A) for this most productive period of your day. During your period of lowest productivity you should not go against your biological clock so you should spend this time on socializing and routine activities (tasks from the group C). During the late afternoon hours you should go back to the carrying out of the important activities (tasks from the group B).

If you keep to this principle of taking advantage of the laws of nature and follow your body signs you will be able to organize your day and enhance your productivity without any greater effort.

It is much easier to deal with a difficult task which requires a lot of concentration during the early morning hours than during the hours when your performance power is lower than usual and it will require more effort.

It is not very profitable to work too long or too hard because when your concentration goes down you tend to make more mistakes. So you shouldn't think of the short brakes taken during the day as of wastage of time. On the contrary, they should be welcomed as an opportunity to recharge our batteries.

Medical research has shown that the optimal regenerative value of the short brakes happens after an hour of working. The brake should not last more than 10 minutes since after that it loses its effectiveness.

- That is why you should include regular short breaks in your daily schedule.
- These breaks will be most effective if you use this time for relaxation, exercises or by taking a walk in the open.

For most managers the real work starts after working hours.

During the working day they are constantly distracted. Their attention is drawn by: their colleagues, clients, unannounced visitors, misunderstandings, phone calls, meetings and other things.

The principle-an open door for everyone- may function for others but for a manager it is extremely dysfunctional.

Even if the interruption is very brief, the person will need additional time in order to get back to what he/she was doing before the interruption.

All the above mentioned things lead to 28% of wasted time that should have been spent on working.



## Revision questions

1. As a manager what tools do you use to manage the time of health workers? What do you put into consideration when using these tools?
2. What are some of the common causes of wasting time?
3. Discuss the challenges that people go through in ensuring that they perform to their best in the time available.
4. When confronted with different activities at the same time, how can you select the best option for yourself?
5. If a colleague comes to you complaining of not performing to his best, what advice can you give him/her?

### Sources

- Fleming I. (2006): *Managing Time*, Vedera, Belgrade, Serbia
- Seiwert J.L. (1992): *Managing Your Time*, Kogan, London

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People work for money, But live for recognitions. *Wayne F. Casico*

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## 11.1. What is a motivation?

The etymology of the word motivation lies in the Latin word **movere** which means “**to move**”. So the term motivation may be comprehended as a process which will push the personnel towards improvement of the personal performance, in order to satisfy the needs, interests and goals of the organisation and of their clients.” The motivation energises, directs and keeps peoples’ conduct” (**Pierce, J.L. & Dunham, R.B. (1990) Managing< Scot, Foreman and Company, p. 299)**

“If you want a real breakthrough you should change the motto”

To start with, the definition of the motivation leads us to the question about the individual differences in lifestyles of people, with respect to their priorities, attitudes and aspects that people want to introduce in the working process. This means that people tend to include all these segments which make them feel better and do better, in what they work.

The work motivation has two key dimensions that concern the following questions:

1. Why do people act in a specific way on their places of work?
2. How can we help people realize that they should accept a certain way of working which might be better both for their organization and for them?

Independently of the process of developing the skills for better working, it is necessary to work on the ways of developing the wish for this type of working.

It is here that we can find the roots of the need for motivation that is crucial for managing and leading functions.

Motivation and its management, is one of the most important factors of the human resources management and is the chief support of the effective leadership. According to Kac and Kan (**Bush, T. & West-Burnham, J. (1994) The Principles of Educational Management, Longman, Educational Management Development Unit University of Leicester**), organizations that have the need of people who are interested in staying

in the firm, as much as they were at the time of their employment, who perform their assignments in a discrete and confidential way and even more, to have acquired some kind of creative, spontaneous and innovative conduct to top all of the above mentioned have motivate people.

According to Dale Carnegie, “there is only one way in the whole wide world to make someone do something and that is to awaken the wish in him to do it. Remember well: There is no other way.”

There are different approaches and definitions about motivation that put the stress on different elements and facts that determine the motivation. Those elements, or facts that influence the persons’ conduct and his goals, are: **power, control, status, friends, money** and some other assets. We can fit into this group the mental processes also called goading forces. These are the forces that each individual possesses and which lead them towards the accomplishment of their goals.

We can also include in this context the reached decisions and the ways to their accomplishment. The goading forces balance or strengthen this conduct in the case of an individual. Here we should also mention that there are processes used by the superiors, which can make the subordinates’ conduct change.

Jonson and Page give an overall definition which incorporates all the above mentioned aspects (**Bush, T. & West-Burnham, J. (1994) The Principles of Educational Management, Longman, Educational Management Development Unit University of Leicester**). According to them it is the processes and the factors that cause people to react in one way or other. To motivate someone means to make someone take action. The process of motivation consists of:

- Identification or respect of the unsatisfied need
- Establishing a goal which will satisfy the need as well as determination of the necessary action for accomplishing the goal, which actually means satisfaction of the need.

Starting from this point of view, it is clear that at the back of the question of motivation are the **needs and expectations**. If there is an unsatisfied wish or need, it automatically results in setting a goal that will lead to the satisfaction of that wish or need. The goal will determine the tasks and assignments which will initiate the carrying out of the concrete activities aimed towards the satisfaction of the need.

This road, from the unsatisfied need and expectation, to the action which will lead to their satisfaction, is determined and realized through different forms of communication between the superiors and the subordinates. This incorporates the basic need of having feedback information.

However it is important to mention that there is no certainty about the motives. They can be determined according to the evaluation of the undertaken activities and they are always mixed. These motives can also be influenced by the environment and the culture in which we undertake the action. The motives constantly change and there are situations in which they can be in a conflict with other motives. The selection of the motives and their intensity varies depending on the individuality of the person that makes it. When some of the primary motives are diminished or satisfied, other motives become primary.

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“If you give people the opportunity to choose if they are to work for money or award, they always choose the award.” (Steve Kerr)

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## 11.2. The connection between the motivation and stress, pleasure from work and morality

There is a close connection between the motivation and the stress, pleasure from work and morality.

When **stress** is in question, there is confusion and some incorrectly drawn conclusions, about its connection with motivation. Stress can be both an encouraging or restricting element in the motivation. What happens when all the efforts of a person are blocked before he achieves the wished goal? In cases like this there are two possibilities:

- **Constructive conduct** in the given situation, or
- Frustration.

In the first case we have a stressful situation, caused by the blocked process of achieving a certain set or wished for goal, which is a source of additional energy aimed at overcoming this unwanted situation. This can only be achieved by proactive people who are able to find additional motives. According to this, the constructive conduct is the real solution, yet in the real world the frustration is more “natural” reaction. In cases like this the key role of a motivator is given to the manager. His/her role as a superior is to diminish the frustration by directing the problem in the positive direction. This means employing of different strategies and tactics which are in context with the issue in question or with the purpose of diminishing of the frustration.

Good examples of such strategies are: the successful recruiting of staff, their selection and training, the careful designing of the working places and working environment, the non-subjective approach of the subordinates as well as the effective communication and participating style of leadership.

If we do not notice the problem on time then the appearance of frustration and stress is a logical consequence. We should take into consideration that fear could be another

very big motivating factor, although it usually appears as a product of some stressful situation. A frustrated person frequently “gains power” in order to accomplish the thing they themselves consider to be out of their reach (the dazed boxer is the most dangerous boxer).

The connection between the motivation and the **work satisfaction** is not always very clear. The motive may mean work satisfaction in situations when the level of performance required for the job is extremely high. Yet this is not always true. We should have in mind that the motivation for work, which requires additional effort out of the individual, and his work satisfaction, are relatively independent things. The work satisfaction is not equal to the motivation. It is more of a supported condition that is related to the selected feeling of accomplishment. It might be determined by the quality or the quantity, but it all depends on how high the individual aspires.

All in all we can conclude that motivation is a process which might lead to work satisfaction. On the other hand it is not certain that the work satisfaction will lead to an improvement in the working performance.

Whrum and Lutans (**Bush, T. & West-Burnham, J. (1994) *The Principles of Educational Management*, Longman, Educational Management Development Unit University of Leicester, p. 226**) independent of each other, with the help of different analysis and research, have concluded that there is no great connection between the work satisfaction and the improvement in the working process, which would lead to better productivity.

A lot of people think that **moral** and motivation is one and the same, which is not correct. A team that has high moral will always be motivated to achieve great results (**Allan, J. (1996) *Motivating people*, Kogan Page, p. 12**). Yet there are cases when people are highly motivated although they have a very low morality. The term moral is usually associated with the way people perceive their job. According to Robert Falmer (**Falmer, R. M. (1994) *New management*, Skopje: Skaj Agency, str. 366**), the moral represents “the feeling or the fear that people have in certain situations at their work, the degree of the satisfaction the persons’ needs as well as the degree in which they see through the satisfaction as a result of the global situation.

Although the word moral is usually attributed to an individual it is more common to be a feeling of a community which represents their shared feelings, opinions, faults and other things they have in common. As far as motivation is concerned it is more of an “individual” thing. Kempner defines the moral as “the circle in which the members of a group identify themselves with the goals and the activities of the group”. The moral of an individual who is part of a group may be strongly influenced by: their physiological and

psychological condition, injustice, endangering of their status, personal insults of various nature, or some other things.

### 11.3. Motivational Theories

Motivational theories can be divided into **theories of the contents** and **theories of the process**. Almost all the authors focus on the specific factors that motivate individuals in their work and on the connections between the different variables which make the motivation. This practically means that they mostly take care of the current process of motivation or with the behaviour which is initiated, aimed or supported.

The word motivation has two key dimensions.

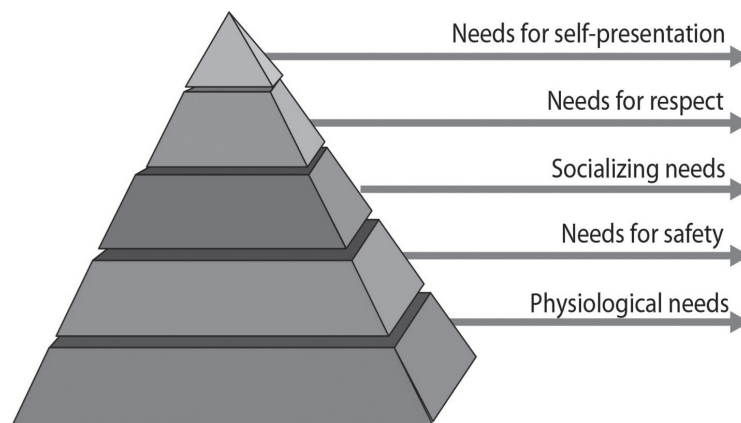
- The first one concerns the question: Why do people act in a certain way when at their work?
- The second one concerns the question: How can we influence the people to accept certain conduct which can be better for them as well as for the organization they work for?

Independently developing good working skills. It is here that we will find the need for motivation as a major managing and leading function.

The group of **motivating theories of the contents** has the following theories:

- The Maslows' theory of the hierarchy of the needs'
- "X" and "Y" theory of Mac Gregory and
- The two-factor theory of Hertzberg

The Maslows' theory is one of the most widespread theories of motivation which is based on the supposed **hierarchy of needs**.



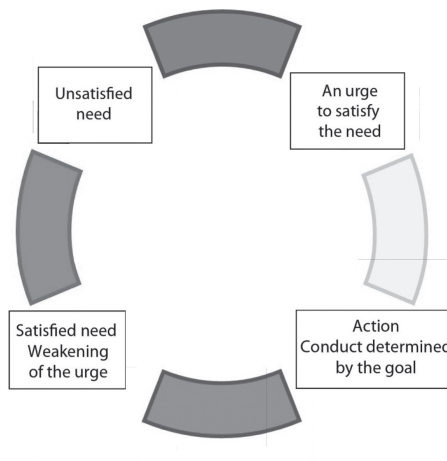
According to this hierarchy or pyramid, the lower level is for the **physiological needs**, such as the need of sunlight, of water, food and other basic needs which are essential for



the humans' survival. The next level is for the needs of **security and stability**, in which we can find the need for freedom; need for protection from the dangers surrounding us, from the animals or from other people; the need for shelter; the need for security. All these needs arise from the way of living and the general organization of the world in which we live.

The third level is reserved for the **socializing needs** or **the needs of togetherness and belonging**. This is a category where we can find the needs for connecting with other individuals and establishing relations with them, the need for belonging to a certain group, the need of giving and receiving love, the need for expressing feelings.

The fourth category comprises the needs for **respect, appreciation** and **gaining a status** or the so called satisfaction of the self-personality. Here we can find the needs for: achievement, accomplishment, ability, a need for trust, for courage, for independency, for recognition, the need for prestige or reputation. At the top of the pyramid are the needs for **self-realization**. These are the basic needs when a person wants to accomplish his utmost important goals in life. This hierarchy is also vulgarly illustrated as the one “from the stomach to the brain” and relies on two assumptions: that the unsatisfied need motivates certain conduct, but as soon as the need is satisfied it becomes an insignificant motivator, and the next one is in turn to gain in importance.



It is important to emphasize that this hierarchy is applicable for most people. Yet it is possible to have “shifting” in the expressed need or satisfaction from its satisfaction, which depends on the individual, the culture, the mentality and the situation. This theory is not empirically supported, yet it has been confirmed as a personal experience or as an experience of others in everyday life.

Mac Gregory on the other hand, supports two basic hypothesis or assumptions. They are concerned with human nature and help us determine the ways of leading or managing,

which are acceptable in the direction of motivating people. In this context we will find his two theories of “X” and “Y”.

**The “X” theory includes the following assumptions about human nature:**

- People are naturally lazy and are afraid of working
- Most of the people have to be forced, controlled and to be pressured into finishing their assignments.
- The average person avoids responsibility and wants to be ordered, they are not ambitious and like security
- For most people there is motivation only for the satisfaction of the physiological needs and the needs for security.

**The theory “Y” includes the following assumptions about the human nature**

- For most of the people , working is a normal thing.
- People will be self-directed and self-controlled if they accept and have feelings for the assigned tasks.
- This feeling of acceptance of the assigned tasks is a result of the expected reward for their accomplishment or achievement.
- People, normally want to accept responsibilities.
- People have motivation for the satisfaction of their needs of togetherness, respect and self-realization.

These two opposing theories of motivation are only extreme models of behaviour, which are over-simplified.

Yet the “Y” theory carries the message that the motivation of people is done with the aim of accomplishing the wished for results.

The appearance of the **Hertzberg two-factor theory** meant a huge deviation in the approach and the perception of the working motivation. His/her research has shown that satisfaction and dissatisfaction are different conceptual factors, which are caused by different phenomena in the working environment and that the good feelings are mainly connected with the factors related to the work while the bad feelings are connected with the factors related to the working environment.

The group of factors which lead to the work satisfaction:

- “ motivators or urges”, are related to the contents of the work, or to its nature

The group of factors which lead to the work dissatisfaction:

- “Hygienic or maintaining factors”, are related to the explanation of the work, or to the environment in which the work is performed.

Although this approach by Herzberg has been criticised because of its incompetency and methodology, it has contributed significantly and has been beneficial for many managers. Mainly, if the manager knows which factors from the nature of the work and working environment are the motivators, and which are the demotivators, then he/she will know how to use the individual potential of each person and to achieve the wished for effect of the assigned task.

The main idea of Herzberg is that there are certain factors, if raised above a certain achieved level, will certainly act in a motivating manner, and if they go under that level they will act in a non-motivating manner.

Besides the above mentioned theories that belong to the group of motivating theories, there are theories which are related to the process.

In the group of **motivating theories of the process** belong:

- Theories of expectations
- Theories of righteousness
- Theories of the goal

All these motivating theories are related to the process, and treat the dynamic relations between the motivating variables that are related to the initiation, direction and the support of certain behaviour. It is actually related to the current process of motivation.

In the basis of **motivating theories of the expectations** we can find the opinion that people are under the influence of their expectations which are connected to their undertaken activities. They are based mainly on the different individual perceptions that the individuals have in connection with the results of the alternative conduct. The purpose of this motivating theory is to measure or quantify the strength of motivation in each individual. It should be mentioned that the expectation motivating theory is based on the assumption that the conduct of a person is to one degree a rational act and the individual is aware of his motives and goals, so it is possible to predict the behaviour.

The managing implications drawn out of this complex and popular motivating theory are a result of its rationality. It can be used in the detection and the solving of organizational problems.

Each manager should have in mind the need of constant efforts on his/her side with the purpose of finding out ways of suitable rewarding of individual accomplishments; in order to establish clear connection between the used effort and the achieved results so that the individual would know what kind of reward to expect. He/she should also

establish a system of clear procedures for the evaluation of the finished job according to its quality and quantity, and to pay special attention to the mediating variables such as the abilities, features, organizational norms/procedures and the supporting means which can have an indirect influence over the performed job.

As far as the **motivating theory of righteousness** is concerned, the motivation of the individual inside the organization is determined by the intensity of the feeling that they have been treated in a fair, righteous and equal way, contrary to the way others are being treated. This theory is based on the belief that personnel in one organization are given a suitable reward for their achievements and results. Due to the idea about the connection between what is given, and what is received, this theory is also called the **theory of exchange**. According to it, the individual feeling of injustice might motivate him to eliminate this injustice, which will result in a variety of different conducts. One of this conducts is the change of one's attitude towards work, which might mean increasing or diminishing of the efforts one makes. Closely connected to the issue of the made effort is the issue of the different results and accomplishments, such as, the salary and the working conditions, without changing the entrance parameters. All these things should be considered by every superior if he wants to create a good organizational climate.

There are cases when an unsatisfied worker says to his co-worker: "You shouldn't work so hard. They do not appreciate it." Every manager should know that with his unequal treatment of his employees he evokes the feelings of lack of comfort, unpleasantness and tension, which might result in a high level of absence of motivation to work. It is very non-motivating to get a small reward for a "big" job as well as when you get well-paid for doing a "small" job.

According to some authors, there are three cognitive processes that are intertwined into the events that occur in the environment of an individual, such as, the working conditions and what later on appears as his accomplished task.

The three processes, which make up the base of the **motivating theory of the goal** are: the perceptions of the individuals that are connected with the event, the evaluation of the event by the individual, the establishing of the goals and the formulation of the intentions.

In other words, this means reaching a conscious decision about what should be done. While doing this the person takes into consideration all the circumstances, such as the time needed, the required effort or some other things and comparing them to the offered reward, or in context of other benefits that could be gained. According to this, every manager should know that the goals that are hard to reach are the most challenging ones, but they should also be appropriately rewarded. In cases like this people are not satisfied with praises or kind words. Some seemingly "easy" specific goals, which are

not so easily achieved, might be put into this context. This means that they should be carefully explained to the individual. It is also important to point out that the goals that have positive influence on employees' achievements should first be accepted by him/her. His/her contribution in the process of setting the goals is of great importance. A successful manager does this with a sense of tact and beside experience he/she needs to have proper training as well.

#### 11.4. Managers and Motivating

The above mentioned facts lead to the conclusion that the motivating process is an important managing function and is a necessary skill of the successful manager. Every manager should be able to motivate his/her employees. He/her will be upraised through his/her achieved results, and through the results achieved by his/her employees. This leads us to the conclusion that the motivation of the subordinates is one of the major interests to the manager. The managers motivate their subordinates by encouraging them, influencing or inspiring them as well as by stimulating them.

It should be their constant care to **ensure good working conditions** for their employees and **to encourage the feeling** that they want to work there. All the leaders and managers use the communication as a basic strategy in the motivating process. There is no effective communication among unmotivated individuals and also there is no motivation if there is no communication. It has been proven in practice that the way in which the leader and the followers communicate may turn to be motivating or non-motivating for them.

If we analyze the ways people use to motivate someone else we can distinguish some typical examples of good motivation. For example, Field Marshal Montgomery, was well known for his zest for fighting. He had the habit of going among his soldiers and cheering them up and leading them to victory. The managers of organizations should adopt this way and realize the need of communication with their subordinates, not just in his/her office but also in the offices of his/her employees and in other places.

Another example of a successful motivation but with completely different style is Mahatma Gandhi. He is well known for motivating his followers to endure in their fight for freedom only with his ascetic style of living. This means that managers should be role models and should set the example with their honest and responsible attitude towards their work and their subordinates.

There are some visible signs or manifestations that point to the fact that the employees of an organization are motivated:

- The employees are happy at their work.
- They cooperate more than they compete.

- There is a high level of responsibility in the working.
- There are very high performances in the accomplishment of the assigned tasks.

The basic, generally accepted model of motivating, has the following building blocks (Bush, T. & West-Burnham, J.( 1994) *The Principles of Educational Management*, Longman, Educational Management Development Unit University of Leicester, p.225)

- need or expectation
- conduct/behaviour
- goals
- some form of recurrent connection

One of the important factors in the successful motivation is the manager's control, which gives a review of the improvement in the performance of the subordinates. It is important for the leaders to know that there are alternative strategies for building and strengthening of employees' trust. There are the so called indirect rewards such as: awarding scholarships, sending the employees on seminars and conferences, giving days off for important personal needs and other privileges, which do not particularly enhance the work effect, but they enhance the feeling of belonging to the organization.

The leaders and the managers of all levels should focus on three key areas of taking responsibility in order to coordinate and integrate human resources.

- Defining of the required performances
- Alleviation of the working process
- Encouragement in the working process

In order to successfully define the necessary performances you need to have precise description of the expectations, which means introducing of some standards. This also means that we have to have defined and established goals that can be measured. The managers should take the process of simplification of the work as something very serious and they should do everything in order to eliminate all the obstacles in the working process. The last condition is essential for the achievement of the organizational goals. We can overcome the obstacles through introducing better working conditions for the employees, getting a better/advanced technology and providing of financial support.

In addition to this, the managers should constantly encourage and stimulate their employees. They should openly discuss the value and the amount of the reward. It is also important for the manager to know that the rewarding should be timed since it is very important for the person who receives it to be appreciated on time.

The employees respect their managers when they keep their promises and stick to the arrangements. They should be certain that after a job well done, a suitable reward follows. Each reward should comprise the element of "honesty" in itself.

This means that they should be given the promised amount and we have to have in mind the fact that the employees compare with each other and with themselves by going back in time and analyzing the similar situations they were in. Out of all the above mentioned we can draw the conclusion that “there should be the same reward for the same job”.

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There is a wide range of factors that motivate:

1. Giving opportunity to the subordinates to control the situation.
2. Redesigning the work.
3. Correct way of regarding the job by the superior.
4. Trust.
5. Feedback information.

**Sources:** Allan, J. (1996) *Motivating people*, London: Kogan Page

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The practice and the experience show us that leaders make certain mistakes that lead to non-motivated personnel:

1. Refuses to delegate.
2. Inconsistent and unreliable.
3. Incapable and indifferent and is not in the mood of praising.
4. Lack of clear direction.
5. Insufficiently informed.
6. Aggressive or in a bad mood.

**Sources:** Allan, J. (1996) *Motivating people*, London: Kogan Page

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## Revision questions

1. Discuss Maslow's hierarchy of needs as an explanation why people work.
2. Many people have used Herzberg's two factor theory. What are its strengths and weaknesses?
3. If you were a manager, how would you motivate your workers?
4. Explain why some people are highly motivated in their work while others are less motivated yet they all work in the same organization under the same circumstances.

## Sources

Allan J. (1996): *Motivating People*, Kogan Page, London

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# 12.

## Communication

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The need for effective communication is like the clean air. When you do not have it. You realize its importance.

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There is nothing easier than failed communication. You deny everything that the other person say, you look down on him/her, you criticize him/her, humiliate him/her, you pretend to be “the boss while he/she is here to listen and obey”. This attitude belongs to the past. Actually it was believed for years that shouting was a result of someone’s firmness, that stubbornness was same as superior knowledge, the tendency to quarrel was equalled to honour.

More and more people in the business world recognise that communication is of vital interest for the working process in the organisation. The ability to communicate well is what triggers people, turns their excellent ideas into deeds, enables their accomplishment. There is no secret recipe for successful communication, conveying of ideas, transferring thoughts, ideas, attitudes, feelings. However, there are some basic concepts that can be relatively easy overcome. If you stick to them you are in the right direction.

1. Communication should be one of the most important things.
3. Remain open to other people.
4. Create environment for good communication.

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When Lee Lakoka began to work in the car company “Ford”, he found out that the limited opportunity to communicate effectively is a serious obstacle for many designers and engineers to progress. “I met many engineers with terrific ideas, but they did not manage to convey them to other people. It is shameful for a guy with a talent to stand in front of a board or a committee and to fail to express his thoughts”. Without learning the basic human skills for speaking and listening, not every businessman can progress.

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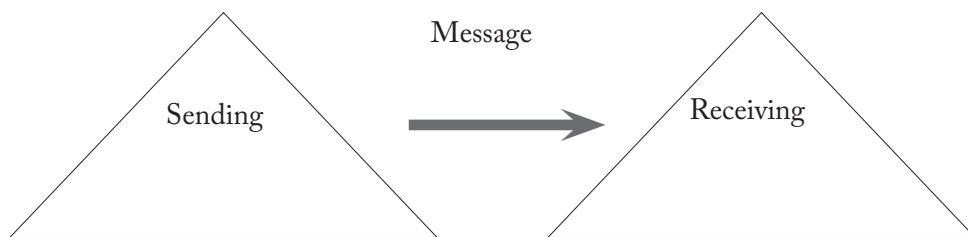
### 12.1. Idea and meaning of communication

Communication is a permanent process of receiving and sending information with one aim – exchange of ideas. We can say that we are in the age of most up-to- date

communication systems for mass communication. Everyday a man is exposed to receiving information of any kind. Most of the messages sent to people are ignored and only one part remains in their consciousness and are even memorized. In that sense we must say that the individual communication goes through three phases:

1. **Attention:** a message must be pretty strong to attract attention, different from the rest and interesting.
2. **Short-term memory.** The messages that come to this first step of our consciousness are short-living. They have to repeat to stay longer.
3. **Long-term memory.** Messages that come to this part of human consciousness stay longer and are forgotten only if there are other “competitive” messages that attract attention.
4. **Central processing.** At this level messages that survived the long-term memory are processed and that together with other information that already exist in the memory and that causes positive or negative feelings. All together they form human belief, feelings, intention or eventually action.

**The most important moment in communication is conveying of information.**



Communication is done through four different channels:

- **With facts:** or what people believe are facts based on their personal experiences.
- **Through feelings:** people’s reactions on some specific plan in a specific situation.
- **Through values:** long-term and unchanged trust in people, about themselves the society and the culture.
- **Through opinions:** people’s attitudes show their own position in given situation, their attitudes actually which are subjective, not objective.

Why is communication important for the organizations?

- Leads to better efficiency
- Keeps the employees close
- Involves the people in the organization
- Increases the motivation to work better
- Increases the feeling that the employees are part of the organization

- Enables improvement of relations and better understanding between the head and the subordinates and among the organizations.
- Helps people to understand the need for change: how to manage and how to decrease the resistance to changes.

There are several types of communication in the business world, according to the way in which people communicate and where they communicate:

- Intrapersonal communication
- Interpersonal communication
- Organizational communication
- Media communication
- Mass communication

## 12.2. Forms of communication

The field of communication, especially the business communication is wide and comprises different forms of communication. Principally, there are two forms of communication:

- Verbal communication
- Non-verbal communication

Verbal communication contains both forms of communication:

- Spoken communication
- Written communication

When we talk about verbal communication we should have in mind that there are different monologue and dialogue forms of communication. Typical monologue forms that are often in business communication are: **speech, new information, report, analysis, note, comment and critic**. Comparing to monologue forms which go one way, dialogue forms include exchange of information. They comprise: **dialogue, discussion and debate**.

Characteristic of communication form is business speech. It is a basic form of interactive business communication and presents basis for other forms of business communication, such as:

- Business meetings
- Business negotiations
- Presentations
- Tutorials

When talking about business communication it is important to establish how much the manager is sure whether he or she is correctly understood by the employees. The biggest common mistake by the managers is their belief that they are the source of wisdom, not

understanding that communication goes both ways. They must convey their ideas to others as they have to listen to the ideas of others. You must keep yourself open to people above, next to you and below you.

Written communication has some advantages in comparison to the spoken communication.

- Written communication stays longer in front of the people who receive it. They can read it many times and therefore understand it better.
- Written messages are taken more seriously than the spoken. The period of conveying can be much shorter in comparison to the spoken communication.

Nowadays written communication is widely used form of communication due to internet development as a global world net.

Beside the verbal communication, the non-verbal communication or the “body language” has its place in the business world.

According to some researches 75% to 80% of the communication is in non-verbal way. Functions of the non-verbal communication can be observed from the following aspects:

1. **Contextual aspect** – non-verbal messages change, give additional meaning or confirm the contexts of the verbal message.
2. **Personal aspect** – non-verbal communication expresses feelings, intentions and expectations of the one who sends them.
3. **Relationships aspect** – non-verbal messages express attitudes towards the verbal messages.
4. **Aspect of influence** – non-verbal messages may convey strong message and influence to the information and may accelerate or speed down the communication dialogue.

Forms of non-verbal communication:

- Eye messages
- Facial expression messages
- Head movements messages
- Body movements messages
- Body attitude messages
- Distance messages
- Touch messages
- Dressing up messages
- Time and synchronization messages

### 12.3. Obstacles in communication

There are some characteristics that refer to good or qualitative communication, no matter what form of communication we talk about: **clearness, completeness, consciousness, being concrete and accuracy**. In business communication its participants very often face sincere and insincere people.

In communication sincere people are recognized by:

- Being talkative
- Being direct and spontaneous
- Using fierce words
- Stories that do not change
- Understandable, melodic and strong voice

In communication insincere people are recognized by:

- Empty talking
- Delaying
- Talking “until the cows come home”
- Muttering and losing the end of the sentence
- Stories that are unclear and confusing
- Hypothetical answers to the questions

In everyday life and in the business world, communication does not undergo major misunderstanding. However there are certain barriers that provide obstacles to the normal communication. There are numerous obstacles in the process of communication and therefore it is important to mention the size of the information. If the information is wider the communicators cannot make out the points of importance.

There are almost always barriers in communication or distracters in other words. We should also have in mind the **status in communication**. This is the case when one person is on higher position in the hierarchy structure of the organization, in comparison to the other. When these people communicate, obstacles emerge as a result of emphasized respect, dominancy, even fear sometimes. These are all consequences of the different status. Communication between a doctor and a patient is an example of such a situation in the medical care.

Obstacles in communication are very often the reason for emerging of conflicts as unwanted appearances in the business world. In order to avoid conflicts it is very important for communicators to have understanding of people and their nature.

Communication obstacles may be classified into three groups:

- **Obstacles in receiving** (attitudes, values, needs and expectations of the person who receives the information)
- **Obstacles in understanding** (the language, semantic problems, the ability of the person who listens to receive messages which threaten his/her own concept, the length of communication, status effects)
- **Obstacles in sending** (prejudices, internal conflicts of the persons who send and receive the information)

#### 12.4. Understanding of people and their nature

In order to improve the communication with people or to establish the so called good relationships among people you have to understand people well and their nature. It means to understand their needs, interests, beliefs, expectations in one hand, and on the other their character, their personal characteristics and attitudes.

Understanding of people and their nature simply means:

- Take people as they are
- Do not think that people are what you believe about them
- Do not think that people are what you would like them to be

Although there are many differences, there are some common characteristics for all people.

Remember one very important thing: people like to be talked about, about their problems and interests, their successes and benefits, not about you, your successes, achievements and needs. For this reason, you should always begin conversation by talking about him/her, not about yourself. Remind yourself how well you felt when somebody complemented you, asked you about your success or your family.

All people are self-centred and selfish in their own way. Always keep it in mind! Your communication and relation with people will be successful only “if you feed their vanity and selfishness”.

One of the famous Roman playwrights, Publius Sisrus , mentioned this truth about human nature 2000 years ago: “We are interested in those who are interested in us”. (Carnegie, p.33)

Skilful communicators know how to begin conversation about the most interesting topic and it makes their communication exceptional. How do they know to do that and how do they manage it? There is a simple answer. They begin the conversation about the person they talk to, not about themselves. When you talk about them people are very interested and motivated about the conversation. They open themselves, they are in good

mood and talkative. Their opinion about the communicator will be positive. It is exactly what every communicator needs.

If the communicator begins a conversation about himself/herself he/she should know that he/she has made the first wrong step and has dealt against human nature. The words that people would like to hear more are: you, to you, your, instead of I, my, me. People love to talk about themselves more than about any other subject. That is why they should be encouraged to talk about themselves.

This kind of beginning of a conversation is the best possible way to realize, listen constructive and successful communication. People like it and have friendly attitude towards people who make questions about themselves and have the patience to listen while they talk about themselves and about their work.

All people are preoccupied with themselves, with their lives and work. That is why they talk about themselves when they talk with other people. It is also the reason why they are not efficient in communication with other people. People who understand it and are able to overcome it become successful and desired associates. It is easy to say and maybe understand but difficult to practice. It demands overcoming of own vanity and self-consciousness. It also needs great dedication and practice, a lot of effort which pays back. The benefits of it are awesome.

It is especially important in the business world, in relations with the people above you and below, with the clients and the patients as well as with all other interested sides.

The basic point of successful communication is to make the communicators feel **respected** and **important**. The fact that even small children prefer people who treat them as adults or people who have the patience to listen to them and ask about them and what they do – shows how much it is in human nature. Nobody likes to be underestimated, humiliated or ignored. For that purpose you should stick to the following items;

- Listen to the person you talk to carefully.
- Look in the eyes of the person you talk to.
- Do not look at your watch while talking to someone, at the computer or your mobile phone.
- Complement the people you talk to.
- Talk nicely of the people you talk to.
- Address the people you talk to by their names.
- Do not interrupt the people you talk to.
- Be cheerful during you talk to someone, show enthusiasm – it is “infectious”.
- If the person you talk to waited for you, you should express your gratitude .for that but do not apologize explaining that you were busy or that you were

on the phone or that you spoke to someone else – he or she will take it as an insult and will feel inferior.

- Before answering any question make a pause as if you are thinking. If not send the message that the question was too simple or that you want the conversation to end quickly.
- If you talk to a group of people make sure that you pay attention to everybody not only to the leader or to someone you like especially – it may offend the rest of them a lot.

All people have their own attitudes and opinions. The success of good communicators is that they know how to adjust their opinion with the others. They know how to stay calm and accept other people's opinion. It is the wisdom of life.

## 12.5. How to persuade other people?

When you agree with other people's attitude, behaviour or opinion show it clearly with phrases like: "you are absolutely right", "I completely agree", "I thoroughly understand you and...", "I support you...", "yes that is right", as well as with nodding your head while they talk. It is very important for you to learn to agree with the opinion of other people even when you know that you are right. By using a phrase like: "maybe you are right", "if you say so then...", "I thought it was so and ...." – you protect your credibility and do not hurt other people and their feelings.

If you do not agree with what the person you talk to says, you should get over it or simply stay silent. If it is really necessary, be tactical and careful. Do not react promptly; choose the right moment and the right way. Try to do it using a joke, with a smile, never strictly or with a serious approach. People do not like those who oppose and disagree.

It is human to make a mistake but it is also important to overcome it and apologize. For that purpose use the phrases like: "I made a mistake", "I wasn't right when...", "I was misled when...", "I thought I was right but...", "I did not think that...". Remember that people respect and admire those people who know to admit their mistakes. It is wrong to make up an alibi or to put it on someone else.

It is very difficult to keep off arguing with other people. There is one general truth that nobody can persuade anybody in the correctness of his or her attitude if the other one does not agree. You should not give away to provocations as well as you should know to "count to ten" because you become wiser after that. Always keep on mind that aggressive and odd communicators desire conflict and even a war in the true meaning of the word. Learn to swim with the sharks. Sharks will not attack until they smell blood. That's why you should not bleed. When emotions work the reason rests. It is the reason why even the



strongest arguments do not change other people's opinion. They simply have no effect on the other side. Qualitative communication is based on common **trust** and **respect**.

It doesn't mean that you can't have your own opinion; it just means that you shouldn't try to force it upon those who openly oppose it. Time will show who was right. When you do not accept the challenge or the argument it doesn't mean that you accept the thesis which has been popular in this part of the world for years and we know it as "the smarter person always gives in". The smarter person shouldn't give in... He/she should fight with reasonable means and try to promote his or her attitude or opinion whenever and wherever he or she goes. However, he or she should not "blindly stick to it" or try to force it upon others. We never achieve anything by force. A smart person does not argue but proves his or her point through his or her deeds. Here it is how!

The first and the only right step to start convincing the person that you are talking to in the correctness of your attitude and opinions is to make him or her realize that you are a **good listener**. Lately we all seem to be using the phrase: "There is no one to hear me out!"

All successful communicators know that they should know how to listen to the people that are talking to. It is considered a great skill if you are able patiently listen to others even if they say boring or irritating things which you personally disagree with or are strongly against. It is very hard to be a good listener. In order to be a good listener you should learn to look directly in the speakers' eyes and listen to him or her emphatically (with all your sensing organs), which will mean that you follow his or her speech with great care. You mustn't interrupt the person while speaking and when he/she makes a pause you should show interest by asking him or her questions. This is an established way that gives good results. ("To open the challengers' guard").

The next step that you should take is to influence the others in a positive way. If you want to influence other people and make them do what you want to you should first discover what they want and which are their needs and interests. In that way you will get to know what is going to stimulate them to be willing to do what you want them to do. Learn what they are motivated by, what they like, what they need, what they want to hear. This is achieved through conducting a careful conversation, by asking questions and by carefully listening to the other person. (Discovering the weaknesses- the Achilles' heel)

Besides this you should do everything possible in order to win over other people. It is good to know that people are easily influenced by other people and react unconsciously and spontaneously by adopting their behaviour. They answer with a smile to a smile, with seriousness to seriousness, with joy to joy or with arrogance to arrogance.

In most of the cases what you give is what you get. The exceptions should not discourage you since they are mostly a result of the mentality and the state of transition. If you are

kind and with a light spirit you are always accepted by the other people, so you should always be in a good mood and ready to listen to or talk to other people.

Gaining other peoples' sympathy is in a close relation with the ability of giving praise to them as well as recognition for their work or simply by paying a compliment. It is important to know that you mustn't sound superficial, but try to sound honest and spontaneous. This can be achieved if you praise the deeds and not the person and your action should be closely connected and depending on the personality of the man that is talking to you. If that person is vain then you should praise him or her and if down-to-earth you should praise the deed. Good words always play the role of a key to the door opening the successful communication. (Making a communication climate)

In this context we should also mention **the ability for expressing gratitude**. A good businessman is recognized by his/her good manners and the ability to charm people with their words, which is a talent that always comes handy in everyday life. When you express honest gratitude you do it loud and clear and you look the other person right in the eyes while saying his or her name ("I am sincerely grateful to you Peter")

Although **criticism** is the last thing that you want to hear, it might be constructive if it is with a good intention and if it is presented in the right manner. What is important to know is never to criticize anyone in the presence of other people, and it is better to criticize the action and not the person who has done it. The criticism should be presented in a "sandwich" or in between two good things. Before criticizing a person it is nice to praise him/her about something else, and after the criticism you should use a friendly phrase such as "we are colleagues", "we are co-workers", "we are friends" or "no one is perfect".

When communicating you should make sure to be convincing. It is natural for people to be sceptical about the abilities, the intentions or the capacity of the person that they are communicating with. It is crucial to know that any statement should be presented in any way we choose to. Usually, the form is more convincing than the contents or the essence. In practice we have realized that the most effective statements are those that we quote as someone else's statements or deeds. So the best way to present your attitudes or your opinions is by presenting them as if they were someone else's. For example: "A friend of mine has told me...", "A successful businessman has once said..", "I have heard one honest man suggesting to his friend an interesting thing about how to...", "My colleague Nikola said that...", "My neighbour Cyril said that someone in his office has told him...". Talking about other peoples' experiences or quoting famous people hits the spot when you communicate with someone. It works in most of the cases and there are only a few people who are not hooked by it.

In order to be able to change the opinion of the others you need a lot of skill and experience. The person who knows how to listen is the most successful one. In addition to all the above mentioned it is good to know that people should be brought to the state when they decide themselves to say “yes”, which means that they accept your attitude or opinion. To achieve this you should use their arguments and ask the so called closed questions instead of the open types of questions such as: “What suits you?” should be replaced with “Does this suit you more than...? It is better to leave the other person to choose between two affirmative answers and also give him/her a hint that you expect an affirmative answer. An experienced salesman instead of asking the question: “Will you buy this?” will say to a customer: “Will it be more convenient for you to buy this with a credit card instead of cash..?”

## 12.6. Mutual Communication- communication with people and patients

The mutual communication is not a simple thing, but when it comes to the communication with a patient it is even harder. All of the medical health organizations have given the central place to the quality service in their long term programs, which means that the patient is in the focus of their interest.

However we should note that **all people as well as patients are not angels**. It is pleasure to work with polite patients and each encounter with them is a pleasant one. But what about the others?

There are different kinds of people or patients and consequently different strategies for handling them or for mutual communication. Some of them are really annoying but others just seem so and the reasons for their attitude lie somewhere else. We can separate the patients into two groups:

- Clients that only give the impression that they are unpleasant
- Clients who are really unpleasant

### *Clients that only give the impression that they are unpleasant*

Sometimes clients only seem to be “unpleasant “. The reasons for this might be different:

- **Fear.** The doctor might fear that he or she will be taken advantage of by patients who are too demanding. The patients might be upset for some reason, which sometimes is on the verge of fear.
- **Incapability.** The patient as well as any other person might have some defects which he/she would rather not show such as deafness, bad sight or some other defect
- **Wrong evaluation.** The worst case is when you misjudge someone. This might be based on your prejudices about the colour of the person, the religion, race

or because of political reasons ( for example a man who is wearing dirty old clothes and has a wild appearance , might be mistaken for a drug addict.)

- **Hatred on first sight.** Although this is a rare thing it should not be ignored after all. It is very similar to the feeling of love on first sight; sometimes you instantly hate someone with no particular reason.

You should treat this kind of patient with special care, because that is not an unpleasant patient but someone who has been made by the circumstances to seem so. If we show little consideration and pay that person special attention we will certainly have a successful communication.

### *Clients who are really unpleasant*

Yet there are certain patients who are really unpleasant. We should make a difference between the: **temporary unpleasantness/annoyance** and the **permanent unpleasantness/annoyance**.

**The temporary unpleasantness/annoyance** may appear to be a result of:

- **Previous annoyance or irritation** which is not connected to the situation in question, but might influence their behaviour and make them unpleasant.
- **Dissatisfaction.** Sometimes even the most polite or pleasant people might turn into unpleasant ones if we treat them disrespectfully and do not obey the rules of well mannered business conduct. If we leave the person to wait unattended and service other people before his/her turn he/she will rightfully turn into an unpleasant and impatient person.

However, there are people or patients who are truly unpleasant in the right sense of the word. They are the most difficult ones to communicate with. The communicator has to be a real psychologist in order to be able to deal with this kind of patient. The most critical types of patients in this category are:

- The dishonest people and patients
- The vain type or the “Smart ass”
- The constant complainer

### *The dishonest people and patients*

There are people who want to take advantage of the good approach and the good service and cheat the organization by not paying or doing other illegal things. But it is hard to prove that a patient is being dishonest and there is nothing worse than to accuse someone without having solid proof.

To accuse an honest person of theft is unacceptable and it might turn to be fatal for the organization or the person who has given the service.

If we establish his/her dishonesty beyond any doubt then we should take all the legal measures according to the policy of the organization.

### *The vain type or the “Smart ass”*

These people or patients are very hard to work with. But we cannot choose the people or patients that we have to service, and it is recommendable to communicate as little as you can and avoid any confrontation or discussion.

A good trick in cases like this is to use their vanity and “sell them the most expensive product”.

### *The constant complainer*

There are certain people and patients who are never satisfied. They are hard to work with but if left without the expected attention they can cause a considerable damage to the organization. Nothing spreads as fast as bad information.

That’s why a patient like this should be paid a special attention. We should listen to him/her very carefully and tell him/her that his/her request will be taken into consideration, but he should not be promised anything. You should just tell him/her that only the reasonable requests can be accepted.

If you take into consideration the interests of other people or patients you will certainly charm them. If your co-workers and patients are hard to deal with or are unpleasant, and constantly make problems and complain, maybe you should look for the reason inside yourself. The essence of the successful communication with the people and the patients can be found in the need of respect.

If we respect ourselves, then we should respect those we work with, and those are our patients and people interested in them. In the opposite case, when we don’t respect ourselves as individuals, we easily transfer our negative attitude to other people.

If the patient is complaining of something, the worst scenario is not to answer his/her complaint. The other worst thing is to tell him/her only what he/she asks. This behaviour is not appropriate for several reasons:

- It leaves impression of arrogance and negligence.
- It looks like one isn’t informed enough.
- It looks like one is trying to defend something.

The information given voluntarily seems very different from the same information given previously to the patient but with many claims. Many people or patients hesitate to ask anything. Some won’t know which question to pose or who they should ask. All this depends on the characteristics of every person.

For successful communication with awkward people or patients, it is good to be known that, in basis people can be split into two types:

- Introvert, are people who are careful, thoughtful, analytical, perfectionists, vary persistent in the work. These types of people want to think and they are more involved in thinking than physical activities. With them you should communicate carefully, to explain everything in details and they can be awkward.
- Extrovert people want to act, they quickly begin with work, and for details they decide what is important or they just ignore them, they begin with many things, and they leave the details unfinished. For this kind of people is important to receive, short but clear information which doesn't refer to details. This kind of people can be awkward sometimes because of other reasons.

Communication with unpleasant people often leads to stress. To overcome the stress some behaviour advices can help.

## **How to deal with stress**

### *Just say NO*

Great deal of stress comes from what you feel when you just want to say YES but you say NO.

Be aware of your values.

What is important to you?

Say yes to the things that are proper to your values.

Say no to the other things.

Every yes and no has its own consequences.

If you say yes to work, friends, family, church and community, you will probably say no to your health and you time.

Just know when to say no.

### *Ask for help*

You don't have to do everything or reach everywhere.

Ask help from services and people who can help.

You can do double than the usual with the help of others.

Don't expect others to be able to read your mind.

Teach yourself to be able to know when you most need help.

Only a fool tries to do everything alone.

### *Less is more*

Start simplifying your life.

The more stuff you have, the more you have to worry: to clean everything, to dust, to do favours and etc.

During the holidays remember that less is more and don't bother with prices which you cannot afford.

One regular chocolate brings you more satisfaction and joy than a whole box of chocolates eaten with greed.

Having done several things from start to finish brings you greater satisfaction and success than trying to do them all at once.

### *Take a break*

Give yourself physical, mental, spiritual and emotional break.

If your work is physical, give yourself a break every 2 to 3 hours and just for several minutes work something else.

If your work is mental, relax and watch from the window in order to rest your exhausted mind.

If you are full of sorrow, depression or you are frustrated from something, give yourself a break.

Try laughing.

Making the right breaks makes you help yourself to keep balance in your life.

### *Stop judging values.*

Many people spend a lot of time criticising themselves.

I am allowed to do this, but not that.

All these judgments cause stress and underestimation.

Try to accept yourself, reality and others.

You will feel less disturbed, less angry and you'll be calmer.

There isn't a single situation in the world that can upset you – rather said your expectations of what “can” is what upsets you.



## Revision questions

1. Confronted with many different forms of communication, how can one choose the best means of communication?
2. What are some of the obstacles you can get in enhancing communication in the organization?
3. How can a manager use communication to improve the performance of the organization?
4. What are the criteria for successful communication?
5. Discuss the different ways through which communication barriers can be overcome.

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# 13.

## Conflict Resolution

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### 13.1 Notion and types of conflicts

Conflicts are an integral part of life and work of people. They appear like part of all interpersonal relationships, and even among individuals who are close to each other: very close relatives, friends and associates. General tendency of the conflict is to be seen as a threat for good interpersonal relationships.

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**Threat:** “The modern man and the constant conflicts of the workplace”

**Title:** “Boss, cool down! “

“The modern man never has much luck with the authorities above him. Once he is grown up and if he is lucky - he will get a job, he instantly gets replacement for his parents and the conflict with them: here are the bosses! Whether he cuts off your salary, or constantly hanging above your head, maybe he frustrates you with some unreasonable demands or he doesn't give you vacation, for a reason not to “get a cold”, he insists you to become a robot or he steals from your vacant days, again you feel like you got your new “tutor”, and that there is nothing of the excuses: I am grown up, brother, now it's the time to bring decisions for myself...

According to psychologists, especially the ones who had studied the atmosphere of workplaces, there is no doubt that the largest part of the employees, those who are in the hierarchy – subordinates; they have reasons to feel vulnerable and to fill their “stress-tank”. The paradox that before bosses we renew the old ties, from home – pater familias and a child, certainly is a phenomenon which explains the dependence, especially now and here, where the new capitalism throws into water all habits of self-management for constant estimation and overestimation of things and capabilities after the system each for everyone...”

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The word conflict induces some associations of the type: intolerance, hatred, misunderstanding, lust, anger, rage, pain, hopelessness, conflict, violence, ruin, fear,

mistrust, hostility, loss, destruction, fight, war and etc. Conflicts are inter –confrontational at different levels: needs, desires, interests, relations and actions.

If you search for the true meaning of this complex phenomenon of human interaction, in some dictionaries you will find some depressive meanings: “long battle or conflict”, or “confrontation of inter exclusive impulses, desires or tendencies”, as the Professor Dudley Wicks says, you will find less dramatic definitions, like these: “controversy, misunderstanding”. Most of the definitions for the word “conflict” cause dark and often frightening associations.

In this context, our eminent expert in this area, Professor Violeta Beshka, considers that definitions for conflict given in literature are based on different aspects of conflict.

- **The behaviour of the participants in a conflict** (whether it is a concealed resistance or an open aggression )
- **Sources of the conflict** (limited means, resources or opposed interests)
- **The attitudes and feelings that occur in the conflict** ( stereotypes, intolerance and hostility)

The definition which will unite all important aspects of the conflict, It should indicate to three important components:

- The sides in the conflict
- Conflict behaviour
- Conflict interests

It should be noted that when it is said “sides in the conflict”, it refers to the participants in the conflict who can be: individuals or groups. The question for the sides in the conflict is very important for every guide, because even he/she can be an immediate participant in the conflict (as the initiator of the conflict or he/she can be involved in already present conflict). The manager, can be in the role of a mediator or arbitrator among the conflicting sides. It’s important to know that the manager cannot be excluded from the process of solving the conflict situations connected with life and work in the area which is led by him or her.

Conflicts can be:

- **Interpersonal.** These conflicts occur among individuals, for example: colleague - colleague; supervisor – subordinate; doctor- patient.
- **Intra personal.** These are the conflicts that occur in one person as opposed interests that lead to uncoordinated activities, for example, the dilemma to go to a seminar or not, for the weekend, or to stay home with your family.
- **Inter groups.** These conflicts occur as a result of opposite interests among groups with different size and nature, for example: between two work groups, between organizations, between two departments and etc.

- **Intra groups.** It comes to conflicts which occur inside, between the member of a group, for example, between different commissions and work groups, within one department.

For every manager and leader it is particularly important to be able to understand and identify conflicting behaviour which implies certain activities and events taken by one side of the conflict, with the purpose to obstruct the activities of the other side.

It comes to activities with different intensity which:

- Begin from passive indifference
- Through open disagreement, discussion, sabotage and various forms of violence (offense or hitting)
- To complete war.

Each side in the conflict has its own interests. Interests apply to “stated or unstated concerns, needs, desires or fears which are derived from the interaction with the clients in the conflict”. When it is said mutual interests of both sides, then it refers to the effort of both sides in the conflict to get their mutuality. In that case the conflict does not exist. But, if the interests are opposed, then one or both of the sides, want to obtain “on expense” on the opposite side.

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Conflict is always a result of a temporary existence of conflicting interests and conflict behaviour;

If opposed interests are accompanied by behaviour which is not conflicting, then the conflict is hidden and

If conflict includes mutual interests, but in presence of a conflicting behavior, then the conflict is fake.

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It is widely accepted the standpoint that conflicts are destructive, that they are generators of issues and poor conditions. This primarily manifests in distortions in relationships between people, which leaves negative consequences. In that context some manifests are as consequence of conflicts, and are good indicators for people on the leading positions, about what is happening in their organization. Very common is the competition among employees with the purpose to reach the goal first and in that way certain needs can be satisfied, against the interest of another co-worker. The competition is played through intrigue, gossiping, set ups, and not by work or open communication in terms of cooperation.

It is clear that with escalation of conflict, occurs a phase where the opposing sides manifest their prejudice in terms of attitudes, opinions and views.

**Stereotypes** and **prejudices** are becoming dominant. It is characteristic that a new process of selection is formed for those who are involved in the conflict, sharing them on “mine/ours” or “his/theirs”. The situation in this kind of conflict is characterized with decreased communication, followed by strong emotions.

Conflicts can be also constructive. That is in cases when the conflict results with benefits, with a new behaviour and new way of thinking. Managers should strive in a way that, that conflict is always constructive, because they are always potentials for:

- Stimulating the individual’s development of personality, as well as for the clarification and improvement of interpersonal and intergroup relationships.
- Disclosure of alternative roots of thinking and behaviour, especially when searching solutions of mutual problems.
- The use of differences for mutual development and general progress.

The most common sources of conflicts are the limited resources, for example, **money** or **time**. Here are included some of the unsatisfied needs which are manifested like some inner pressures, but also the different values and beliefs. A specific source of conflicts is the power which is demonstrated in the behavior in one of the sides.

Depending on the source, and from the features of the person as a side in the conflict, in practice for the shown conflict, various behaviours and reactions can be found.

Some people search for solution to avoid the conflict, or they simply ignore it. But managers must not use this in practice, for a reason that they will lose in the “eyes” of their subordinates, the conflict will generate new conflict, and the problem will escalate.

Another way of dealing with conflict is the confrontation, which also is not acceptable for managers and leaders. They cannot threaten or show aggressive behaviour.

The only acceptable reaction for a manager or a leader in case of a conflict is **open communication**. In that way, through demonstrated understanding and respect, the manager will solve the conflict and he/she will profit. The successful solution of conflict leads to improved relations and organization climate, and the feeling for belonging to the organisation grows.

### 13.2. Steps in resolving conflicts

The ability for resolution of conflicts is essential for every manager and leader. Different authors give different approaches, from theoretical or practical point of view. Professor Dudley Wicks suggests eight different steps of resolution of conflicts:

**First step** which has to be done is *to create effective atmosphere* which will provide a constructive approach to conflict resolution. “People often create, sometimes

unconsciously, an ineffective atmosphere and then they are surprised that they failed to obtain an effective result. And, as trees are not able to grow in an atmosphere without the needed components, the same is with the effective resolution of conflicts in atmosphere which interferes more than it improves positive interaction”.

**Second step** is *clarifying perceptions*. “Perceptions are lenses through which we see ourselves, others, our relationships and situations which we deal with”. It should be known that perceptions are formed under the influence of many factors, for example: formal and informal learning, family, the street, and also the institutional education system of society, as a result of certain needs, desires, interests, customs of society and culture, religion, tradition, mentality etc.

Clarifying of perceptions in view of the shown conflict practically represents diagnosis of the conditions which, from their own side, means a basis for the construction of the **third step: focusing on the individual and shared needs**. For this step several points are important:

- Needs are one of the basic parts of relationship. As long as the needs of both sides in the relationship are not dealt with effectively, the conflict cannot be resolved completely.
- **Desires and needs are often mixed.** To understand the difference between them is an essential component of the effective resolution of conflicts.
- **In relationships, personal needs of individuals should also include the needs of the relationship.**
- Conflicts, often, appear when needs are ignored or obstructed, when they are considered as not compatible.

**Fourth step** is *the building of shared positive power*. Every relationship includes power. Because people, groups and societies often restrict the way in which power is experienced and used – as a means of control or manipulation of someone else – power is considered as a dirty word. While power is often as a negative percept, shows the expression that power corrupts, power cannot corrupt itself. People choose the way in which they will use power and whether they allow to be corrupted. Power can be used in a positive and negative way. The conflicting partnership uses the positive power for effectively dealing with conflicts and improvement of relationships between the sides in the conflict, and therefore does not represent a passive escape from facing the conflict which only forces sides to be good to each other. The process of conflicting resolution is active, creative, permanent and powerful.

**The fifth step** entitled as “**view towards future, then learning from past**”, contains the idea for effective resolution of conflicts, starting from the fact that every relationship and every conflict has its own past (history), present (actuality) and future (perspective). “Past,

present and future are related and their merging in a dynamic process of improvement gives the basis of existence”.

After completing the fifth step, logically, follows the **sixth step** in which possibilities are generated. As Professor Wicks says: “our ability to detect new possibilities in relationships and to solve conflicts often deteriorates with “packed” truths and limited visions which we comply with in time of stress, insecurity and conflict. Generating possibilities can make way through previously set limitations which we carry with us in the process of resolution of conflicts”.

The previous six steps, as components of the process of conflict partnership, according to Wicks, are moving towards the most important task: the practical implementation of these steps which can take over sides in the conflict, for improving their relationship and resolving of the conflicts. It is known that every trip starts with the first step, but every guide must know that the first step is insecure and after it is not good to follow big step or just to skip it, which in context of conflict, will mean inability to approach certain solutions. For this purpose an action plan is needed and the implementation of the required activities, which Wicks calls it: *developing the sale for action*.

The last step is *establishing mutually beneficial agreements*. “The agreements for resolving conflicts must be realistic and effective enough in order to persist and maybe, even more, to develop in the way they face the future. With the use of steps of conflicting partnership, a decision or an agreement can be made which has a good chance to remain effective in the future. The effective and permanent agreements, which are from mutual benefit, have to be built on clear perceptions for conflict, for the partners involved and for certain steps which they agreed to follow, in order to improve the relationship”.

## **Five approaches to conflicts resolutions that are available to managers and leaders in some situations.**

### *Competition*

- When a fast and immediate action is required.
- When a solution to important issues is required, when some popular action has to be done (cost reduction, forcing some unpopular rules, discipline).
- When it comes to some issues important for the organization.
- Against people who use non competent behavior.

### *Cooperation*

- Finding mutual solutions; when both of the sides are interested and don't want to be compromised.
- When the purpose is just to learn.

- Finalization of the views of people with different views and perspectives.
- Creating the feeling of belonging.

### *Compromise*

- When the purposes are important, but are not worth to put much effort in it.
- When the opponents with same power are dedicated to mutual purposes with exceptional meaning.
- When it is temporary needed to calm down passions for some complex issues.
- To reach to quick solutions, under time pressure.

### *Avoiding*

- When the purpose is trivial, or there are more important purposes.
- None existing chance of satisfying the interests.
- The possible consequences of conflict to exceed the benefits of the solution.
- People should be able to calm down and to refocus on the viewpoint.
- Collecting information should call for immediate solution.
- The possibility of someone else fixing the conflict more efficiently.
- To avoid the issue that interferes with other purposes.

### *Adjustment*

- After realizing our own mistake and when it should be allowed to establish a better position, which shows responsibility.
- When the issues are important to other and they have to be satisfied in order to keep the cooperation.
- To invest in future issues.
- Decreasing the losses when someone is “played” and loses.
- When harmony and stability are important for the organization.
- The supervisor should allow subordinates to develop and learn from mistakes.

The resolution of conflicts is possible over the use of some different approaches, methods and techniques.

From the point of view of the managers and leaders, as key persons in the resolution of conflicts in areas they coordinate, the important ones are;

- Negotiation
- Mediation and
- Arbitration.

**Negotiation** is a process of conflict resolution which both sides are involved and they try to overcome and resolve the problem. In practice we encounter **collaborative negotiation**

(both sides collaborate to find mutual solution) and **competitive negotiation** (where there is a competition in order to find the winner).

When conflict cannot be resolved by negotiation, the resolution is formed by involving third side as mediator. The mediator plays crucial part as “the helper” in the situation, and he/her tries to find solution of mutual interest. Then the mediation can flow in the presence of both sides, or the mediator can contact each side separately. What is distinctive about this process of the resolution of conflicts is that, confronting sides voluntarily participate in the mediation and the mediator can't force them to do what they don't want. The essence of negotiating is giving help of confronting sides from the mediator, but they don't lose control over the outcome of negotiations.

In **arbitration**, a third side controls the process and outcome. Arbiters are the ones who decide what the confronting sides have to do to overcome the problem. They have the power to force the sides to subdue to the decision they made. In arbitration a real communication between the clients does not exist, each of them explains their position, and the arbitrator, in the role of informal judge, brings the decision. The made decision, in whole or much of it, goes in favour of one or the other side. Despite that this way of resolving conflicts is very effective, it is recommended to be used just in short time cases, because it is imposed solution from third person, without the participation of the confronting sides.

### 13.3 Sources of conflict in the relations among employees

Probably, the main source of conflicts in organizations is the difference in interests among those who are determined as supervisors and subordinates. Supervisors, mainly, will insist on efficiency, economy, productivity and on submission of the others, in terms of their position and authority. But the subordinates are interested in: higher salary, freedom in action and behaviour, absence of surveillance, not working etc. Although the belief is widespread that conflict, in basis, is destructive, unwanted, and even unproductive, every manager or leader should keep in mind that when conflict occurs it requires preparedness and great effort to eliminate. However, the satisfaction for additional efforts is the knowledge that the resolution of conflicts has its own advantages, for example: clarifying the situation (“clearing the air”), introduction of new rules, modification of purposes, alignment of values (usual rules of behaviour), occurrence of competitive spirit, mixing the traditional ways of working, thinking and behaviour, understanding the need for respect of the supervisors.

The disadvantages which follow the conflict are: wasting energy and time, emotional stress which occurs in the participants (the sides in the conflict), organizational processes, risks, and worsened communications. Starting from the point from the potential consequences



of conflict, managers and leaders resort to some strategies which refer to certain bargains, and not effective resolution of the problem.

Another strategy is **avoiding** or **ignoring** conflicts (“throwing dust in the eyes”). In the beginning it seems like amortization of the first strike, but later the hidden problem remains as potential of sudden eruption. That is the strategy of creating the feeling that the conflict does not exist.

The second strategy is similar to the first one, and that is **mitigation** or **smoothing** the conflict. In basis, it comes to the search for solution for the conflict with nice words in the discussion, where team work is emphasized and the belief that, “we all truly agree”, this is only an attempt to put behind the differences and opinions. This is often temporary and an unlucky solution, because with “smoothing” the problem is ignored.

The third strategy- **forcing** is opposite of the previous one and it consists of the manifestation of aggressiveness because of the disagreement in opinions and viewpoints. Compromise is one well known strategy in bargain. When the differences in viewpoints are confirmed and opposed, then the only way is to overcome the differences. It requires appeasement of both sides, but the potential danger in compromise is the syndrome “Pyrrhic victory” or the case where both sides loose, just to “win”. In this context we meet with another strategy also known as **confrontation**. **Confrontation** appears as a result of some problems, when opposed sides have different opinions or interests.

Managers and leaders, before deciding for one strategy, they have to use some tactics, for example: determination, adjustment, searching for convenient time to resolve the conflicts, creating proper tension, balance of power, synchronization of activities and manifestations of openness.

Viewed from this perspective, leaders and followers should keep in mind one interesting approach which often works in conflicting situations, “These days, I have the feeling that my way of working does not suite you ?!”

From these words you can’t hurt your boss; maybe he/she is “stuck” and does not have the real addition to start conversation with you.



## Revision questions

1. What is the difference between conflict resolution and negotiation?
2. Discuss some of the common causes for conflict in health organizations?
3. What are the steps one would take in resolving a conflict between a hospital manager and the chief nurse?
4. Explain the different approaches to conflict resolution that are employed by managers of health care organizations.

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# 14.

## Financing the healthcare system and facilities

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Private health practices or organizations which came out of the transformation of the *Primary health protection* and *Clinical hospitals*, or *University Clinical Hospital* foresaw new payment methods of the services they give. On one hand are all these organizations and facilities which are providers of health services, and on the other hand is health insurance fund responsible for the payment of the given health services. If health facilities or organizations have signed a deal with the Fund, and that refers to all health facilities regardless of their ownership, there are specified payment methods.

In the primary health protection, payment is made under **capitation model**. For hospitals, payment is carried out by **diagnostic related groups of diseases**. This model carries payment which will depend on 80% of the cases from the main diagnosis. With this model of payment the work done will be truly valued, quality comparing between hospitals will be provided, the long residence in hospitals will reduce, international services of higher level will also decrease, clinical pathways can be constructed and the quality of services will improve.

Significant for this payment method is that special attention should be put on qualitative method of coding of every disease and procedure. Coding of diseases should use alphanumerical coding with four or five signs, as the most precise indications for the patient's condition or the cause of the disease. It should be set a precise diagnosis which the patient will receive as clinical diagnosis as a result of which hospitalization is realized.

Capitation model of payment of the services refers to health organizations from primary health protection, i.e. of the family/selected doctors. Payment of health facility services of the selected doctor from the primary health protection is performed after an agreement according to the number of persons insured in health facility multiplied by appropriate number of points for the capitation fee.

Capitation fee represents potential monthly amount for compensation which the insured person can bring as the amount which is paid to the health facility of the selected doctor for providing services. Capitation fee is consisted of several groups with proper number of points:

1. Basic capitation
2. Capitation on the basis of distance and
3. Capitation on the basis of rural areas.

Basic capitation for insured person, *Fund for health insurance determines by age and sex of the insured person*, multiplied by basic points for each of the following categories:

| Category   | Points |
|--|--------|
| For children under 6 years   | 3.10   |
| For children older than 6 and younger than 18  | 1.20   |
| For adults over 18 and younger than 34   | 1.00   |
| For adults older than 34 and younger than 65   | 1.60   |
| For adults over the age of 65  | 3.70   |
| For female population older than 11 years till the end of their lives for gynaecological-obstetric primary health protection | 0.43   |

The Fund for health insurance pays to the health facility of the selected doctor and 70% of the compensation for capitation as compensation for expenses:

1. Maintenance of the practice and equipment according to proper standards;
2. Providing continuing primary health protection for acute cases 24/7 for persons who choose the doctor in the health facility;
3. Paying the doctors, nurses, the administrative and support personnel;
4. Travelling to and from the place of the insured person to provide medical treatment when they need it;
5. Maintenance of the medical equipment;
6. Maintaining computer records and submission of records and reports to the Fund for health insurance and institutes for health.
7. Supplies and utility fees and
8. Other common expenses.

Fund for health insurance pays to the health facility of the selected doctor 30% from compensation for capitation, as a compensation for the following activities:

1. Preventive measures and actions derived from preventive programs;
2. Early detection of non-communicable diseases and proper treatment;
3. Activities for early detection of malignant diseases;
4. Anti-natal and postpartum control of health condition and care for female population;
5. Rational prescribing and rational use of medicines;

6. Referral to a higher level of care only when needed;
7. Rational and justified prescription of illness and
8. Other prescribed activities.

Compensation is paid to the health facility of the selected doctor if all activities are satisfied for achieving its purposes which are determined in programs and other laws, for each quarter of the year.

## 14.1 Raising funds

Raising funds for financing health care is a critical concern for the rich and the poor countries. Health care systems account for about 9% of global production.

Developing countries face particularly serious challenges as they attempt to improve the well being of their population and achieve economic development objectives and integrate themselves in the global economy. Understanding how countries raise funds to finance health care system is of critical importance for both high income, low and middle income countries (LMIC). The methods used to mobilize resources that support basic public health programmes, provide access to basic public health services, and configure health service delivery are important factors in planning. The methods have consequences for equity across income groups, amount of revenue raised and the losses in consumer welfare and production generated by different revenue raising techniques. The next section will evaluate the process of raising funds, the possible sources of financing health care and how the funds should be allocated and accounted for.

1. **Identifying the health problems.** Health workers often express areas of concern within the health system in broad or vague terms and therefore in planning to raise funds, the initial stage is being able to identify the need for the funds. The problem should be well known and should be stated clearly with supporting available data. The nature of the problem and distribution of the problem needs to be stated clearly in terms of who is affected, when and where. It is also important to identify the problem that needs funds to be raised, the size and intensity of the problem i.e. is it wide spread, how severe it is and its consequences should be understood. Identify the factors that may have contributed to the health problem and the relationship between the problem and the contributing factors strengthen the strategy for tackling the problem.
2. **Prioritise activities.** After the identification of the problems, there are usually unlimited numbers of problems. It's then essential that out of the many needs, activities should be prioritized in such a way that those needs that do most harm to the members of the community both in severity and frequency and those that you can do most good "cost effectiveness" should be considered for the funds to be raised.

3. **Budgeting.** Once the activities that need funding have been identified, the most important financial tool that is needed is the budget. The budget is the plan of action translated into financial terms and it's the statement of the planned revenue (money) and where it comes from. It should contain the planned expenses by category. This helps in the raising of funds as it builds confidence in the implementing agency.
4. **Different methods of raising funds for health activities**
  - **Government:** central and local. In most low income countries, the bulk of the funds spent on health are derived from the central and local government. This can as well be called tax based financing in that revenues collected by the government are allocated to fund health services. This system of financing health has a very remarkable advantage in that the poor are protected from financial shock from large health costs. Pure government funding that does not involve user charges may cause high financial accessibility. While there may be no fees at the point of use, often the services provided may be biased towards urban services and hospital services. Transport costs and time cost in accessing these services may prevent them being truly accessible to the poor.
  - **Foreign Aid.** Some low income countries survive on foreign aid to run a big portion of the social activities including health services. This money comes to health in form of donations and soft loans from rich countries, UN agencies, foundations, voluntary organizations, corporations, churches, individuals' remittance etc. Although foreign aid helps countries deliver the most needed health services and health infrastructure, it must be noted that it makes the economy heavily dependent on foreign aid leading to a very high all time debt burden.
  - **Public financing:** social insurance. This is based on mutual support and involves a transfer of resources from relatively richer, healthy communities to relatively poor, sicker people for a package of primary and hospital care. Like government funds, accessibility should be high and the incidence of social insurance should be neutral, if not progressive. Consequently the whole value of social insurance is to raise funds for the poor. It also reduces individual exposure to risk and this reduction in uncertainty is of value itself especially for the poor. However, in implementation, particularly in the context of lower and middle income countries, these values may be subverted as the scheme may cover a small portion of the population.
  - **Private organisations and individuals:** Funds can also be raised from private organizations such as traditional healers, private clinics and hospitals.
  - **Households:** This is another way funds can be raised for health, where households or families pay something for the service 'user fee'. Although low household incomes levels means that revenue generating potential of user fees in low income countries is low, limiting the scope to improve the quality and

accessibility of rural primary care delivery and because it's difficult in practice to design price discrimination scheme that protects the poor whilst charging the most affluent, yet pure Government funding is usually skewed towards subsidizing urban hospitals services at the expense of the rural and primary health care services. Introducing user fee for select (urban and hospital) services could directly subsidise the rural poor. Increasing resource availability through household financing would allow governments to expand or upgrade their network of rural, primary care services, hence improving the accessibility of such services to the poor. It is important to note that in virtually all cases where user fees were introduced, there has been a concurrent decrease in service utilization. The magnitude of this drop in utilization was frequently larger and the effect of a longer duration, amongst the poor part of the population. Although there is little evidence on additional burden that fees may place on household resource level, at a minimum they are likely to act as an additional deterrent to accessing care (especially among the poor) whilst catastrophic costs would have much greater impact. Household contribution needs to be carefully thought out yet it's a good source of funding health services and also promotes PHC protocols of self-reliance.

- **Fund raising:** This one of the effective ways of raising funds for health infrastructure like building wards or purchase of medical equipments. It should also be recognized that fund raising also gives an opportunity to building good public relationship and community awareness. Fund raisings when properly organized, the problem for which funds are needed, clearly communicated, can be very effective. There are many ways of fund raising that may include one of the following: pledges, advertisements, church groups, donations, flower sales, raffles, car washes, road rally, dances, coffee houses, tournaments, marathons just to mention a few. It must be noted that even for a poor country, there are enormous resources in the hands of the rich few and middle class that if properly mobilized can be used to improve the health of the rural poor by organizing such fund raising drives as listed above. Fund raising may not be sustainable if the activity is continuous like running a health centre on a daily basis.
- **Compulsory insurance:** This kind of service is mostly for the rich and the middle class groups of the population if applied in the developing world. It covers those with regular employment in urban areas where they are compulsorily asked to remit funds monthly to take care of their health care. Although this may seem at least a good beginning, whatever the drawbacks, compulsory insurance can cause serious distortions in the satisfaction of health priorities. The regular employed may not be satisfied with government health services in their urban area so if they are made to pay for their health care, the money government uses to finance health care in the urban area could be channelled to the rural area to benefit the poor.

5. **Allocation and accountability.** Allocation of resources implies the distribution of resources and in particular finance once it has been raised. This should reflect the priorities that were set before the money was raised. Changing priorities should be done carefully to avoid corruption and loss of trust from whoever gave the money. The element of equity should be considered in allocation of resources. Accountability shows stewardship of this most precious resource 'money' so that the purpose, which it was destined, is achieved. There has to be constant planning and collection of debt to avoid resource wasting.

In conclusion, in many low income countries, the burden of raising funds for health activities lies in the hands of the governments because many of their populations are too poor to afford alternative ways of funding health. However, there is nothing like free medicare even if politicians want us to believe because at the end of the day someone must pay for the workers, medicines, infrastructure, vehicles etc

## 14.2 Budgeting

This is an active translation of an organizations' strategic plan into financial terms. It is a comprehensive coordinated, systematic, and integrated manner of forecasting and setting revenues and expenditure of an organization (Stoner et al 1995). Budgeting relates directly with the organizations' set objectives and activities for achieving them. It can be a bottom up approach whereby every staff, mid level management, partners, community and top management of an organization are involved. It could also be a top-down approach where the top management budgets for the lower levels and the lower levels have to function within the limits set by the top management. The process from inception to completion and through to implementation, is overseen by the manager who is also accountable for the budget. This section discusses the definitional aspects of a budget, the budget cycle, resource allocation budgeting techniques, types of budgets and budget justification.

### **Budget**

A budget is a comprehensive and coordinated plan, expressed in financial terms for the operations and resources of an organization, department, business or project for some specific period in the future. It states the amount and the source of planned revenue and expenditures of the firm. Preparation and management of a budget is the responsibility of the manager. Surplus (excess balance) is when the revenue is more than the expenditure and deficit (negative balance) is when expenditure is more than revenue (Cronje Du Toit 2000).



## **Why budget?**

A budget is a very important tool because it helps in the implementation of management functions. Of particular importance are that it helps:

- Management in the planning of annual operations.
- To coordinate the activities of the various parts of the organization/project and ensure that the parts are in harmony with each other.
- To communicate plans to the various responsibility center managers.
- To motivate managers to strive to achieve the organizational/project goals.
- To control activities of the organization or project.
- To evaluate the performance of managers.

## **The budget cycle**

The budget cycle is made up of the major events or stages in making decisions about the budget, and implementing and assessing those decisions. The specific characteristics of the budget cycle differ from country to country. Nonetheless, in most countries, the budget cycle is likely to have four stages:

The first stage is budget formulation where the budget plan is put together by the executive branch of government. This is followed by budget enactment where the budget plan may be debated, altered and approved by the legislative branch of government. Next is budget execution, a stage at which the policies of the budget are carried out by the government. Finally a budget audit and assessment is done to establish that the actual expenditures of the budget are accounted for and assessed for effectiveness. Monitoring government budgeting in a democratic country ideally focuses on all four stages of the budget cycle i.e. budget formulation, budget enactment, budget execution and budget auditing and assessment.

## **Resource allocation**

Resource allocation should reflect equity to ensure that the resources are allocated according to need (Andrew Green 1999). The allocation formula used should take into account the health needs of a specific population that are subject to those populations' characteristics, the differential costs in different areas, the differential costs in different services, costs associated with non-service delivery such as training costs and cross boundary flows i.e. patients in one service area crossing over to receive services in another service area.

## **Budgeting techniques**

The main budgeting techniques are:

- Historical incrementalist budgeting: is a common budgeting technique used in some health facilities where the health facilities are given the same budget allocation each year irrespective of current workload. The current budget is developed basing on the previous accounting period by maintaining, adding or subtracting from the baseline budget. The danger is that past inefficiencies in overall expenditure patterns may not be adequately corrected.
- The zero based budget technique requires the full justification of every activity and every item included in the budget starting from zero. The method identifies each separate activity of an organization as a “decision package” fully justifies the existence of each package and assesses various performance alternatives in order to select the most efficient options. These are then prioritised before resources are allocated.
- Programme planning budgeting system prepares the budget on the long-term strategic plans of the organisation, which are expressed in terms of activities or programs. Normally these programs will involve different departments and costs therefore expressed for the program rather than each department.
- The economic measure approach tries to address the weakness of the incremental budget approach by formulating the new budget after evaluating each budget activity of the old budget according to its effectiveness; i.e. the extent to which service and income targets are met and efficiency i.e. performing tasks as economically as possible. However, this approach does not seek to justify a particular service or to assess alternative ways to carry it out. It takes for granted that all services and activities presently undertaken are necessary, and is only intended to ensure that targets are met and efficiency is maximized.
- Flexible budgeting recognizes that some costs are fixed and will not alter regardless of the volume of activity. It also recognizes that some costs are variable and as such will vary with level of activity. Flexible budgets enable comparison between actual results and the budget at that level of operation. Reasons for variances are investigated and corrective action taken.
- The rolling budget technique has budgets updated and rolled over at regular intervals. It is particularly appropriate for medium and long-term planning.

### **Types of budgets**

- Operating budget deals with expenditures in the regular operations of the organization, e.g. salaries, pension contributions, cost of routine repairs etc. It also includes revenues raised for these purposes, e.g. charges, donations, fees etc.
- The capital budget is concerned with the acquisition of durable items e.g. vehicles, furniture, buildings etc. Loans, grants and proceeds from the sale of assets are considered as capital income. If income from the operating budget

is set aside for the purpose of creating long-term assets, it also becomes capital income. The capital budget is sometimes referred to as the development budget.

- Financial budgets are concerned with the financial implications of the operating budgets i.e. the expected cash inflow and cash outflows, the financial position and the operating results of the organization (Stoner et al 1995).

### **Budget justification:**

Budget justification are explanatory notes on each budget item that gives details of activity costs and reasons for costing as such? It is a compulsory part of each budget and it justifies the budget. It is a recorded reminder as the budget has a lot of details that may not be easy to remember in the long run. Budget notes are a legal asset of the manager and the organization.

Budgeting is therefore, a very important activity in organizations because it facilitates the implementation of management functions, which are key to the success of any organization. The involvement of all stakeholders is very critical for effective transformation of the strategic plans of an organization into monetary terms. The top management of the organization has to take overall leadership of the whole process and is held accountable for the budget.

## 14.3 Financial control

Financial control deals with the procedure for expending institutional funds, the processes of controlling expenditure and the accountability of financial resources in order to achieve organisational goals. Financial control is a financial position where the organisation views all situations and actions from three perspectives: the short, medium, and long term view.

### **1. Methods of Controls**

An institution may draw on many controls and some of these aren't especially visible or obvious as being 'controls' that help run the institution's day-to-day financial operations and business. Whilst there are hundreds of different controls, they can be categorized into four main types (University of Birmingham, 2000):

- a. **Detective:** These controls identify undesirable outcomes that have occurred and function after the event has happened. This means that they are suited when it is possible to accept the loss or damage incurred. An example of this type of control is a financial reconciliation (where unauthorised transactions are detected after they have occurred).

- b. Directive: These controls 'direct' an activity towards a desired outcome. An example of this type of control would be training staff to work towards achieving particular objectives for the institution or the existence of a strategy that informs institution staff towards a specific aim.
- c. Preventative: These controls limit or stop the possibility of an undesirable event happening. Examples include separation of duty controls or authorisation limits and levels.
- c. Corrective: These correct undesirable outcomes after they have happened and an example of this might be the terms and conditions of a contract to recover an overpayment.

## 2. Setting financial procedures

These set procedure (Williams P, 1993) for expending funds – often referred to as the implementation stage of the budget or budget give instructions with regard to the spending of and accounting for funds as well as recording in an acceptable manner and provide for procurement procedures to control expenditure where interested parties are not allowed to supply goods/services to the institution. Examples are:

- a) Procurement procedures could be the use of the Tender Board or Purchasing Body to control expenditure and if there is any bidding, it is done by Finance Committee.
- b) Financial flexibility is possible whereby the total amount of money available to the organisation can be enlarged and better value gained (Williams P, 1993). It can be done in two ways: i) Borrowing of funds from one vote to another: Internal borrowing is justifiable because under-spent accounts can compensate for overspent accounts. ii) Carrying balances forward: There are three advantages of this practice: (1) Institutions can plan their expenditure if necessary outside the limits of one financial year. (2) There is no risk of losing unspent funds. (3) Institutions spend less time on administration of funds, because there is no longer any need to balance expenditure exactly against income.
- c) Budget control and accountability: Checking to ensure that the order to pay is legal (Washington State University, 2003), that payment is effected and recorded in the general financial account covering all money spent in accordance with the budget, budget control acts as a device for assuming accountability to prevent misappropriation, embezzlement and illegal spending of funds (MOLG, 2003). Systematic accounting for budget implementation requires keeping basic records like the following: receipt Books, Vouchers detailing the purpose of any payment made, the date of the payment, the amount, the budgetary vote or item within which the expense is being incurred and the authority that has sanctioned the payment; the Cash Books and a Log Book which can be referred to as a journal i.e. a record of financial transactions done on a daily basis.

Financial Ledgers record information from the journals. The following are the types of ledgers: The General Ledger contains all major items of the budget, and all information in receipt books, vouchers and cash books end up in the ledger; the Credit Ledger/Black Book: contains the list of the institutions debtors, the amount owed each, dates when settlement was made and the outstanding amount still to be paid. Vote Book: shows how much is left of the vote for an item. It makes it easy for you to see whether you are over-spending or not and is a particularly useful check on high spending. The Green Book: This is a book that lists all those who have been given money for purchasing, the amount given and all the details related to it.

- d) Basic accounting processes: these are useful facilitating analysis of the financial data and these include: preparation of financial statements such as: income statements, balance sheets, reconciliation statements and flow of funds statements, analysis and preparation of financial statements to arrive at hidden facts and draw corresponding conclusions, preparation of comprehensive financial reports and rendering of financial advice on decisions to be made in the light of the conclusions reached.

### **3. Causes of Variations with Budget**

Financial monitoring may also detect two variations from a set budget- over or under spending. Such as are likely to be a result of (Green, Andrew, 1999): poor initial estimation, initial misallocation between budget items, unplanned volume of activity, unexpected change in prices, change in efficiency levels. When cash is limited, and overspending is likely, a number of actions may be taken depending on the cause of over expenditure and the consequences of the action on the planned objectives.

### **4. Corrective financial actions:**

When faced with under or over expenditure (Green, Andrew, 1999), the options include:

- a. Virement: this is the process of transfer of funds from one budget line to another. When the likely over expenditure is only in one item, and is compensated for by an under expenditure in another item, then a transfer of funds from one line item to another may be possible
- b. Request for supplementary budget: This is a request for additional funding in form of a supplementary vote from the next level up in the health service e.g. district or ministry etc. The possibilities of and appropriateness of such an action will depend on both the availability of funds, either through a contingency budget or through under spending elsewhere.
- c. Improvements in efficiency: this is the most attractive option of dealing with potential over expenditure whereby the same level of activity is provided at the same quality for fewer resources. Efficiency may be improved in 3 ways-by

achieving the same ends by a completely different approach, by looking for areas where economies of scale can be achieved, perhaps by sharing transport, by negotiating reduction in price of inputs. It is important to note that efficiency improvement may not provide an easy solution in short term.

- d. Reduction in activity levels: this in turn may lead to budget savings but possibly lower efficiency where activity drops below the lowest point on the average cost curve.
- e. Reduction in quality of service: this may be unpopular but may be preferable to reduction in service levels. However, quality should not drop too low to affect efficacy of the service.
- f. Line item control: this looks at the existing line item budgets and looks for savings in these. Such an approach is a useful way of involving other functional managers. It is important to note that any change in the line items will always result in change either in the efficiency, the quality, or levels of activity of services.

## **5. Internal controls**

An audit is the examination of records and reports of a company, in order to check that what is provided is relevant, and closest to the reality. This assessment is done through two methods namely: a) by assessing internal control procedures and b) by checking the consistency of items in the books. Internal auditing provides assurance that internal controls mitigate risks to acceptable levels. The objectives and scope (University of Birmingham, 2000) include among others: to review and appraise the soundness, adequacy and application of financial and other controls; to ascertain the extent to which the system of control ensures compliance with the established policies and procedures; to ascertain the extent to which assets and interests of the organisation are properly controlled and safeguarded from losses arising from fraud, irregularity and corruption; to ascertain that accounting and other information is reliable as an underlying basis for the production of accounts and other returns; to identify the controls established to ensure the integrity and reliability of information and data used by the management of the institution; to ascertain that the systems of controls in the institutions are laid down correctly and operate to achieve the most effective, efficient and economic use of resources; and to draw attention to apparently uneconomical or otherwise unsatisfactory results flowing from management decisions, practices or policies of the institution.

## **6. External audit**

It is generally described as the examination or review of transactions, accounts, systems and controls, in accordance with generally accepted auditing standards. It includes compliance and performance assessments by external auditors (Williams, P, 1993). External auditing gives an independent report on the financial performance of the

institution in accordance with the terms of the contract agreed with the institution. The focus of external auditing is on establishing the truth and fairness of the accounts. It gives added credibility to unaudited financial statements and records of the institution's financial transactions and confirms their compliance to the statutes. The functions of internal auditing and external auditing may seem to overlap but it should be noted that the former is a management measure to ensure daily efficiency in managing institutions funds, while the latter evaluates the adherence to the accepted principles, practices and statutory provisions of management in financial transactions.

An audit report should be clear, constructive and concise. The auditor will point out in writing to the authorities: any weaknesses/strengths in the accounting system of the institution, deficiencies in the financial control system, inadequacies in the financial policies and practices, non-compliance with accounting standards and legislation. The report also explains any implications of the above points and gives advice or recommendations for improvement. The auditor should give in clear terms his/her professional opinion on the state of the accounts.

In conclusion, financial resources are managed within specific authority guidelines and a framework, which must be clearly known, books of accounts must be kept properly and strong internal controls.



## Revision questions

1. Discuss the different methods through which health organizations may raise funds.
2. Explain the usefulness of the budget for a public health care organization .
3. Describe the main types of budgeting techniques.
4. What are the main types of budgets?
5. Discuss the main types of budgeting techniques.
6. What are the main methods of financial control in health facilities?

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