



# Health care administration/ Overview 2

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# Functions of Administration:

There are several functions for administration

In practice all these functions are interrelated to one another

- 
- Planning
  - Organization
  - Staffing
  - Directing
  - Coordinating
  - Reporting
  - Budgeting

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- Supervising
- Evaluation

Remember **POSDCORB**





# POSDCORB

- “Planning is a *projected* or *predetermined* course of action designed to achieve a specific goal or objective.”
- Planning determines:
- **What?** – What needs to be done? (Goals and objectives)
- **When?** – When will it be done? (Timeline and deadlines)
- **Where?** – Where will it take place? (Location or department)
- **How?** – How will it be accomplished? (Methods and strategies)
- **Why?** – Why is it important? (Purpose)
- **By whom?** – Who will be responsible? (Roles and responsibilities)
- Planning always involves “decision making for future events”.
- Planning should be done at several levels and each level has its own challenges and particular methods.

# Planning



# POSDCORB

## Planning

- Planning is the **most important element** of the administrative process. It sets the foundation for all other functions.
- The **higher the level of management**, the greater the involvement and time spent on planning.
- **Top-level managers**: Focus on **strategic planning** (long-term goals).
- **Middle-level managers**: Focus on **tactical planning** (medium-term actions).
- **Lower-level managers**: Focus on **operational planning** (day-to-day activities).
- A good plan is the basis of any successful program.
- Sufficient time should be given to the process of planning.
- Always have **more than one plan** to choose from. This ensures flexibility and adaptability in case the primary plan faces challenges.



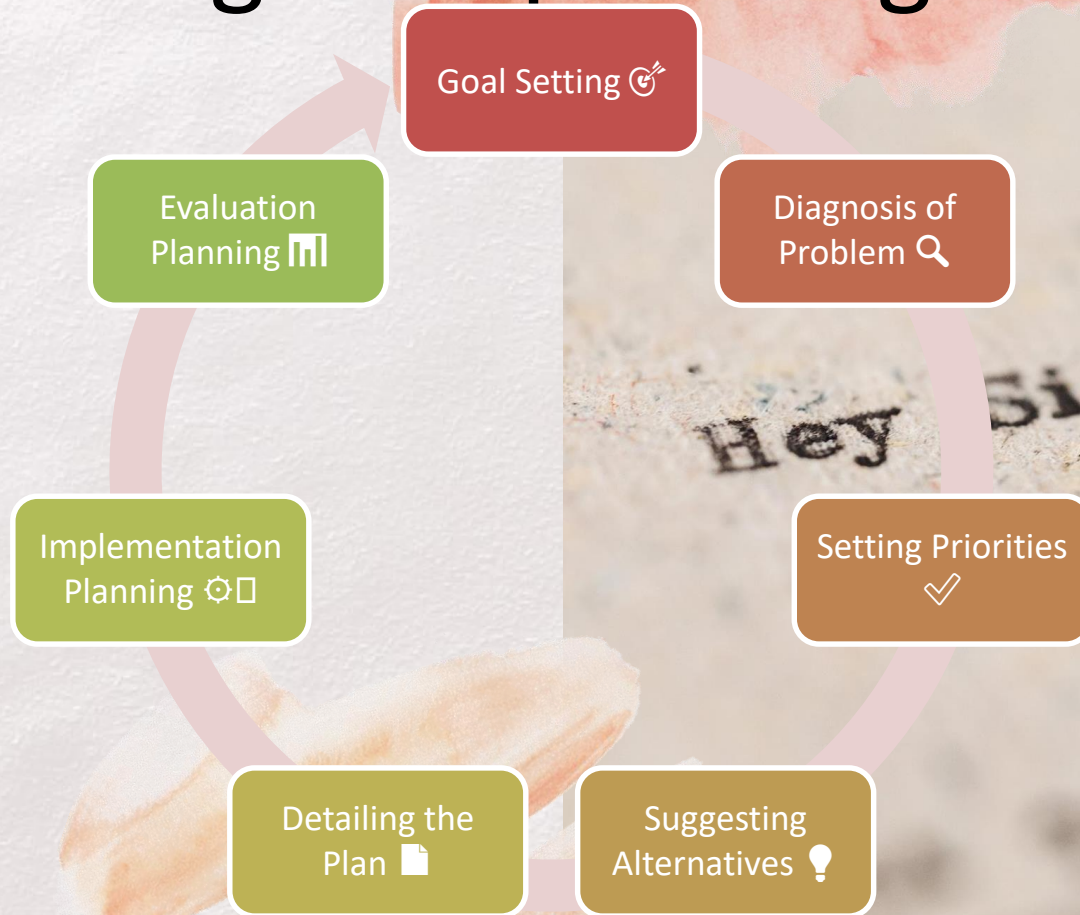
# Plan criteria

## A good plan should be:

- **Fits Needs:** Meets both **immediate** and **future** requirements.
- **Philosophy-Driven:** Follows the **organization's goals** and **healthcare values**
- **Evidence-Based:** Grounded in **accurate data** and **research**.
- **Feasible & Flexible:** Realistic within **available resources** and adaptable to change.
- **Clear & Simple:** Easy to understand for **health professionals** and the **public**.
- **Can Be Checked & Improved:** Includes measurable criteria for **assessment** and **improvement**.



# Stages of planning



# Summary:

- Planning is a dynamic (non-static) process
- It is a continuous circular process

- Futuristic
- Decision making process
- Dynamic
- Flexible





# POSDCORB Organizing

- Definitions:

**Organizing** The process of **arranging and managing** both **human and non-human resources** (like staff, equipment, and materials) to create a **structured and effective system** that helps achieve the organization's goals.



- **Principles of organizing:**
- **Departmentation:**  
Grouping tasks and roles into **departments** (e.g., HR, Finance, Nursing) to improve efficiency and focus.
- **Obtaining Resources:**  
Acquiring both **human resources** (staff) and **non-human resources** (equipment, supplies) needed to achieve goals.
- **Specialization & Division of Labor:**  
Assigning specific tasks to individuals or teams based on their **skills and expertise** to increase efficiency.
- **Authority & Responsibility:**  
Clearly defining **who has the authority** to make decisions and **who is responsible** for tasks. Delegation is key here.

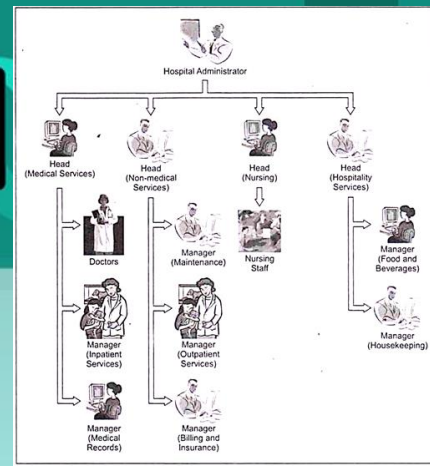


Figure 3.5 Functional Departmentation in a Hospital





# Principles of organizing:

- **Centralization vs. Decentralization:**
  - **Centralization:** Decision-making is concentrated at the **top levels** of management.
  - **Decentralization:** Decision-making is spread across **multiple levels** of the organization.
- **Unity of Command:**

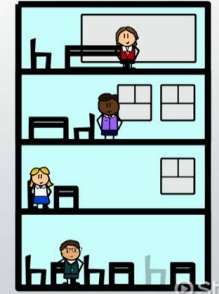
Each employee should report to **only one supervisor** to avoid confusion and conflicting instructions.
- **Line and Staff:**
  - **Line Roles:** Directly involved in achieving the organization's main goals (e.g., doctors, nurses).
  - **Staff Roles:** Support line roles by providing expertise and advice (e.g., HR, IT).

## CENTRALIZED VS DECENTRALIZED

### centralized



### decentralized



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# POSDCORB Staffing

- Staffing is the process of **hiring and placing** the right people in the right roles to fill positions within the organization's structure.

## Staffing steps:

1. **Identify Needs:**  
Determine the **type and number of staff** required for each role.
2. **Recruitment:**
  1. Write a **job description** (roles and responsibilities).
  2. Create a **person specification** (skills and qualifications needed).
  3. Advertise the position to attract candidates.
3. **Selection:**
  1. **Shortlist** applicants based on qualifications.
  2. Conduct **interviews** and check **references**.
  3. Make the final hiring decision.
4. **Orientation:**  
Introduce new hires to the organization, its culture, and their roles.
5. **Job Analysis:**  
Study the tasks, responsibilities, and skills required for each position.
6. **Job Description:**  
Document the **duties, responsibilities, and expectations** for a specific role.
7. **Job Specification:**  
Outline the **qualifications, skills, and experience** needed for the role.



# POSDCORB Staffing: Other methods of filling staff vacancies:

- Reallocation of Duties:

Redistribute tasks among existing staff to cover the gap without hiring new employees.

- Transfer of Posts:

Move employees from one department or role to another to fill vacancies.

- Redeployment:

Re-assign employees to new roles within the organization, often due to restructuring or skill need.

- Outsourcing:

Hire external contractors or agencies to handle specific tasks or roles temporarily or permanently.

- Appointment of a Successor:

Promote or appoint someone **already prepared** for the role (e.g., a leader-in-training).  
(Rarely used but effective for planned transitions.)

# POSDCORB Staffing

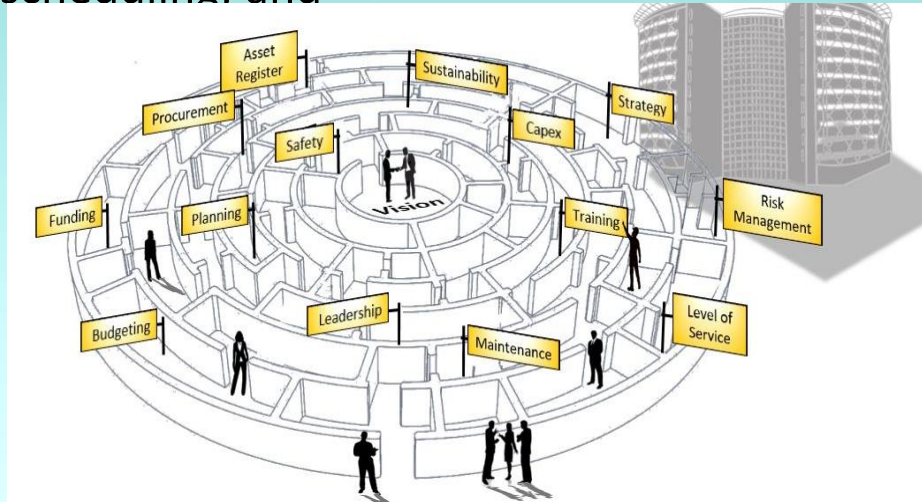
- **Discrimination:** involves treating individuals unfairly based on characteristics such as race, gender, age, religion, or disability
- **Nepotism or favouritism:** the practice of favoring relatives or friends in hiring, promotion, or other professional advancements, often at the expense of more qualified candidates.
- **Fair Hiring Practices** (to provide every candidate with an equal opportunity to be considered for a position based on their qualifications, skills, and experience) **and Diversity** (Actively recruiting from underrepresented groups to create a more inclusive workforce) **in Healthcare Organizations are needed.**





# POSDCORB Directing

- Directing is the ongoing process of **making decisions**, translating them into **clear instructions**, and guiding the organization as its leader.
- Includes building an effective work environment and creating opportunity for motivation, supervising, scheduling. and disciplining.



# POSDCORB

## Directing



Planning, organizing and staffing are the initial steps in the administrative process (preparatory steps).

Directing is the next essential step in initiating the activities of the organization (sets the action) toward the designed goals.



# POSDCORB Directing

- Direction has following elements:
- [Motivation](#)
- [Communication](#)
- [Leadership](#)

**1. Motivation:** Inspiring, stimulating, or encouraging employees to perform their best.  
Includes:

- **Positive Incentives:** Rewards, recognition, and praise.
- **Negative Incentives:** Constructive feedback or consequences for underperformance.
- **Monetary Incentives:** Bonuses, salary increases, or financial rewards.
- **Non-Monetary Incentives:** Flexible work hours, professional development opportunities, or a positive work environment.

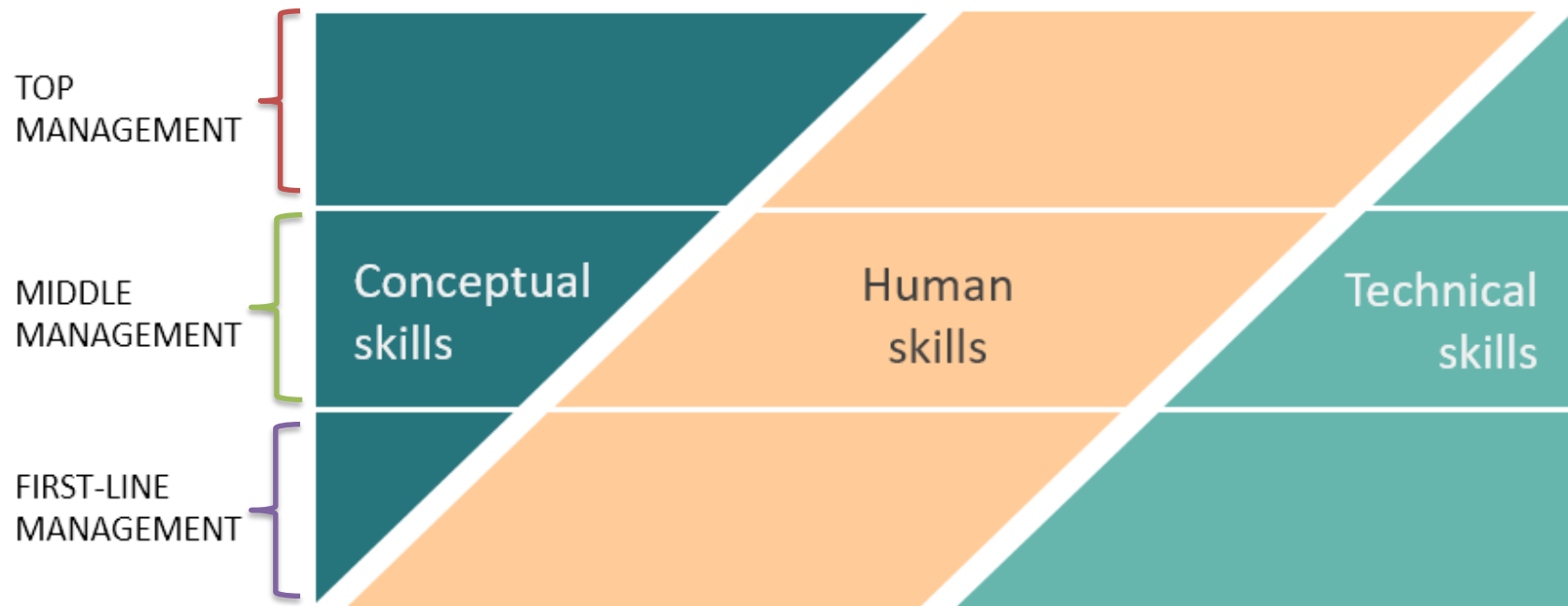
**2. Communications-** The process of sharing information, experiences, and opinions between individuals or groups (e.g., employees, management, or the public).

# Katz 3-skill approach

- Robert L. Katz in 1974, has set the relationship of managerial skills and management *levels*.
- -Three areas of **managerial skills** are required:
  - Technical skills - proficiency and knowledge in a specific area
    - Example: Technology, surgical or medical procedures...
  - Human skills - knowledge and ability to work with people
    - Example: trust, team building, conflict solving, leadership...
  - Conceptual skills - ability to work with ideas and concepts
    - Example: setting vision, plans and goals, policies,...

# Management Skills

by Robert L. Katz





# POSDCORB COordination

- It is the act of synchronizing people and activities so that they function smoothly to achieve organization objectives.
- Coordination is more important in the health services organization, because functionally they are departmentalized.
- Different kinds of organizations require different amount of coordination (The larger the organization, the more coordination is needed. ).
- The coordinating function of the management prevents overlapping and conflict so that the duplication is avoided.

# POSDCORB COordination

- **Coordinating function of management is necessary because:**
  - it affects all the functions of management (planning, organizing, and directing etc.),
  - It is a mother principle of management and all other principles are included in this one principle.

# POSDCORB Reporting

- Called Controlling function as well.
- The **reporting** is a process of providing information to various levels of **management** to enable measuring the effectiveness of work and making corrections, if necessary.
- Reporting is done according to the flow of positions in the organizational chart. It could be from bottom to top, from top to bottom, and even lateral.





# POSDCORB Reporting

- **Purposes of reporting:**
- To show the rate of progress and completion of tasks over a specified period.
- Helps in studying health conditions.
- Helps in planning.
- To make public and the other interested agencies understand provided services.
- Used as motivational method
- Good when asking for more details
- For Consultation

Records and reports must be functional, accurate, complete, current organized and confidential.

# POSDCORB Budgeting

- It is expressed in financial terms and based on expected income and expenditure. *Budget is the heart of administrative management.*
- It helps in coordination and an effective way of eliminating duplicating and wastage (cost control).

# POSDCORB Budgeting

- The main activities are:
  - Budgeting
  - Accounting
  - Auditing
  - Purchasing





# Definitions



- Budgeting:

It is the allocation of financial resources for programs or projects for a specific period of time.

- A budget

is defined as “a balanced estimate of expenditures and receipts for a given period of time”.

## Example: simplified sample budget template for a healthcare facility

Category	Budgeted Amount	Actual Amount	Variance	Notes
<b>Revenue</b>				
- Patient Services	\$5,000,000	\$5,200,000	+\$200,000	Higher patient volume
- Insurance Reimbursements	\$3,000,000	\$2,900,000	-\$100,000	Lower reimbursement rates
Total Revenue	\$8,000,000	\$8,100,000	+\$100,000	
<b>Expenses</b>				
- Salaries and Wages	\$4,000,000	\$4,050,000	-\$50,000	Overtime costs
- Medical Supplies	\$1,000,000	\$950,000	+\$50,000	Bulk purchasing savings
- Utilities	\$200,000	\$210,000	-\$10,000	Higher energy costs
- Maintenance	\$150,000	\$140,000	+\$10,000	Reduced repair costs
Total Expenses	\$5,350,000	\$5,350,000	\$0	
Net Income	\$2,650,000	\$2,750,000	+\$100,000	

# POSDCORB Budgeting

- **Features of budget:**
- Should be flexible.
- Should be a synthesis of past, present and future.
- It should be in the form of statistical standard written in specific numerical terms.
- It should have support of top management throughout the period of its planning and supplementation



- Accounting: المحاسبة



**“The process of systematically recording and managing financial accounts”**

Example: Preparing a Profit and Loss Statement

- Auditing: المراقبة والتفتيش

An assessment of how well an organization's management team is applying its strategies and resources.



- Purchasing: المشتريات

**The act of obtaining or buying goods and services.**



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- THANK YOU