# Basic Management Principles

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- Understand basic management principles applying to individuals, small and large organizations
- Grasp the basics of management functions
- Appreciate the ideal characteristics of a good manager
- See the importance of knowledge of self when viewing management skills
- Recognize professional skills required of managers

- Appreciate the impact that unresolved issues can have on management skills
- Be knowledgeable of the varying available self-development methods
- Understand strategic planning and its use
- Understand how project management tenets can be applied to initiation of new products and services
- Know how to implement a project and evaluate the process

- Understand varying problems from a risk management standpoint that can impact a pharmacist in a management position
- Appreciate varying problem solving techniques and processes; and their applications to pharmacy management situations
- Appreciate the origins, key elements and applicability of continuous quality improvement (CQI)

- See how the P-D-C-A segments of the CQI process can enable a manager to impact problems and opportunities in pharmacy
- Know how change impacts varying aspects of a pharmacy
- View motivation as a crucial skill for a manager in pharmacy settings
- Appreciate the need to obtain involvement and commitment from others to set in place mechanisms to affect change

### **Key Management Components**

- Self
- Controllable surroundings
- Uncontrollable surroundings
- The external environment

### **Basic Management Principles**

Part 1 – Basic Management Functions

### **Management Activities**

- Satisfy varying entities
- Dealing with emergencies
- Purchasing
- Recruitment
- Accounting

#### **Management Activities**

- Training
- Planning
- Negotiating
- Sales
- Dealing with regulatory officials

### **Basic Management Actions**

- Identify what is needed or has to be done
- Organize resources
- Monitor performance and task completion
- Plan ahead for future requirements
- Deal with any problems that arise

### Functions of Management Actions

- Target setting
- Problem solving
- Leadership
- Team building
- Dealing with emergencies

- Controlling
- Directing
- Organizing
- Planning
- Staffing

- Controlling
  - Establishing standards based upon objectives
  - Measuring and reporting performance
  - Comparing the two
  - Taking corrective/preventive action
  - Directing

- Directing
  - Motivation
  - Communication
  - Performance appraisal
  - Discipline
  - Conflict resolution

- Organizing
  - Division of labor
  - Delegation of authority
  - Departmentalization
  - Span of control
  - Coordination

- Planning
  - Vision
  - Mission
  - Objectives
  - Goals

- Staffing
  - Recruiting
  - Selecting
  - Hiring
  - Training
  - Retraining

### **Basic Management Principles**

Part 2 – Characteristics of a Good Manager

### Importance of Knowledge of Self

- Identity, who are we and what do we aspire to become?
- New information, what else do we need to know?
- Relationships, who else needs to be here to work with us?

- Intellectual skills
- Technical skills
- Ethical skills
- Interactive skills
- Emotional skills

- Intellectual skills
  - Logical thinking
  - Problem solving

- Technical skills
  - Motor performance at various tasks

- Ethical skills
  - Define right from wrong

- Interactive skills
  - Communicate intelligently and create an atmosphere that facilitates communication

- Emotional skills
  - Ability to identify and handle one's feelings

### Most Threatening Unresolved Issues

- Poor communication
- Developing people
- Empowerment
- Lack of alignment
- Entitlement

### **Most Threatening Unresolved Issues**

- Balancing work and personal life
- Confronting poor performance
- Coaching senior management
- Cross-functional strife
- Fascination with programs

### **Seeing Decisions Through**

- Identify objectives
- Analyze relevant factors
- Consider all alternatives
- Select the best option
- Implement the decision
- Evaluate the results

## Management Style and Leadership

- Organization
- Situation
- Personal values
- Personality
- Chance

#### **Self-Development Methods**

- Observation
- Reflection
- Guided readings
- Visits / attachments

### **Self-Development Methods**

- Seeking feedback
- Seeking challenges
  - Presentations
  - Chairing meetings
- Prepared packages

### **Basic Management Principles**

Part 3 – Strategic Planning

### **Strategic Planning**

"Strategic planning must complement strategic thinking and acting."

## Strategic Planning – SWOT Analysis

- Strengths
- Weaknesses
- Opportunities
- Threats

### **Strategic Planning**

- Where are we going?
  - Mission
- How do we get there?
  - Strategy

### **Strategic Planning**

- What is our blueprint for action?
  - Budgets
- How do we know if we are on track?
  - Control

### **Strategic Planning**

- Mission statement
- Mandates statement
- S-W-O-T
- Strategic issues (goals ideal future)
- Strategies
- Vision of success

### **Strategic Planning**

- Strategies
  - Practical alternatives
    - Dreams, Visions
    - Barriers
    - Major proposals
    - Major activities
    - Specific steps

### **Strategic Planning**

- Strategies
  - Staffing plans
  - Financial plans
  - Timelines / responsible persons

#### **Vision of Success**

- Mission
- Basic philosophy and core values
- Goals, if established
- Basic strategies

#### **Vision of Success**

- Performance criteria
- Important decision rules
- Ethical standards expected of all employees

#### **Environment**

- Stability
- Complexity
- Market diversity
- Hostility
- Competition

### Planning Should Lead to Programming

"Real strategists get their hands dirty digging for ideas, and real strategies are built from the occasional nuggets they uncover."

# Involve Others Throughout the Organization

- The cascade of information should not just flow downward
- Important that it not be a top down only process

# Involve Others Throughout the Organization

- Arm all workers with strategic information allowing to do their job better
- Provide universal ownership for problems and opportunities

# **Basic Management Principles**

Part 4 – Project Management

# Failure of Organizations in Developing Projects

- Lack of focus and attention
- Inability to cope with different project characteristics
- Feelings of being used/exploited
- Lack of project experience

# Failure of Organizations in Projects

- Inability to cope with different project characteristics
  - New relations with other departments
  - Tighter time and budget pressure
  - Use of different methods and tools
  - Different reporting structure to management

### Modern Project Management Process

- Develop ideas and proposals for projects
- Project approval
- Project kick-off and start
- Project monitoring, reporting, and management
- Project end or termination

### Project Management 10 Commandments

- Concentrate on interfacing
- Organize the project team
- Plan strategically and technically
- Remember Murphy's Law
- Identify project stakeholders

### Project Management 10 Commandments

- Be prepared to manage conflict
- Expect the unexpected
- Listen to intuition
- Apply behavioral skills
- Follow up to take corrective action

# Developing a Project Management Body of Knowledge

- Basic project management functions:
  - Scope management
  - Quality management
  - Time management
  - Cost management

# Developing a Project Management Body of Knowledge

- Integrative project management functions
  - Risk management
  - Human resources management
  - Contract / procurement management
  - Communications management

## Four Principles of Quality Management

- Customer satisfaction
- The P-D-C-A cycle
  - Plan
  - Do
  - Check
  - Act

# Four Principles of Quality Management

- Management by fact
- Respect for people

#### **Project Implementation**

- Identify project and non-project work
- Checklist of issues
- Project meetings
- Standardize reporting on the project

### **Basic Management Principles**

Part 5 – Problem Solving Techniques

#### **Problem Solving**

- Risk assessment and management
  - Human resources shortages
  - Equipment failure
  - Material supply
  - Wars/riots

#### **Problem Solving**

- Risk assessment and management
  - Government policy new requirements
  - Finance cost of borrowing changes
  - Client customer relations bankruptcy
  - Climate weather

## Six Step Model for Problem Solving

- Define the problem
- Identify the criteria
- Weight the criteria (vary in importance)
- Generate alternatives
- Rate each alternative on each criterion
- Compute the optimal decision

# Decision Steps for Problem Analysis

- Classifying the problem
- Defining the problem
- Specifying the answer to the problem
- Deciding what is "right" rather than what is acceptable

## Decision Steps for Problem Analysis

- Building into the decision the action to carry it out
- Testing the validity and effectiveness of the decision against the actual course of events

### **The Creative Cycle**

- Germination -> creation
- Assimilation -> internalization
- Completion -> finalization, closure

#### **Basic Management Principles**

Part 6 – Continuous Quality Improvement (CQI)

### Origins of TQM, CQI

 The elements of total quality management or continuous quality improvement have been attributed to W. Edwards Deming; however, Deming attributes the concept to Walter Shewart at Bell Laboratories. Deming nevertheless applied the principles to a wide range of management situations.

#### **Elements of CQI**

- Philosophical elements
- Structural elements
- Healthcare specific elements

#### Philosophical Elements of CQI

- Strategic focus
  - Mission, values, objectives
- Customer focus
  - Patient, provider, payer
  - Outcomes of care

#### Philosophical Elements of CQI

- Systems focus
- Data driven process
- Organizational learning

#### Structural Elements of CQI

- Process improvement teams
- "Seven tools"
- Parallel organization
- Top management commitment

#### Structural Elements of CQI

- Statistical analysis
- Customer satisfaction measures
- Benchmarking
- Redesign of processes from scratch

#### Structural Elements of CQI

- "Seven tools"
  - Flow charts
  - Cause and effect diagrams
  - Check sheets
  - Histograms
  - Pareto charts
  - Control charts
  - Correlational analysis

### Health Care Specific Elements of CQI

- Epidemiological studies
- Governance processes
  - Quality assurance, pharmacy and therapeutics committees, peer review

## Health Care Specific Elements of CQI

- Risk adjusted outcome measures
- Cost-effectiveness analysis
- Quality assurance data and techniques
  - Risk management data

### Reasons for Implementing CQI

- Foundation for organization transformation and renewal
  - Government and patients see lack in quality, cost, and access in healthcare issues
- Helps to define quality

#### Reasons for Implementing CQI

- Establishes measures of customer satisfaction
- Improve upon measures
- Help for managing costs and increasing profitability

#### **CQI Perception Shifts**

- Leading vs. Managing
- Coaching vs. Control
- Quality -> Quantity
- Open to change vs. Resistance to change
- People as a resource vs. People as a commodity

#### **CQI Perception Shifts**

- Suspicion vs. Trust
- Commitment vs. Compliance
- Customer focus vs. Internal focus
- Team vs. Individual
- Prevention vs. Detection

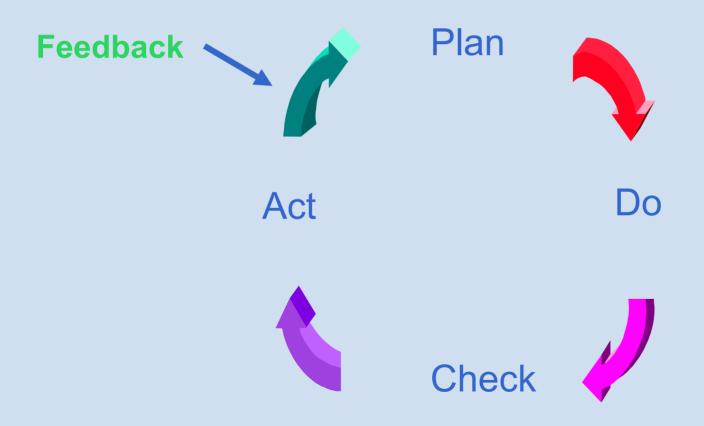
# 7 Deadly Diseases Impeding American Quality Transformation

- Lack of constancy of purpose
- Emphasis on short-term profits
- Personal review system
- Mobility of management
- Running a company on visible figures alone

# 7 Deadly Diseases Impeding American Quality Transformation

- Excessive medical costs for employee healthcare, which increase the final cost of goods and services
- Excessive cost of warranty, fueled by lawyers who work on contingency fees

#### **CQI Process**



### **CQI** and Supervision

- Training
- Remove barriers
- Create pride producing environment
- Show workers how they fit in the process
- Stress quality
- Help improve the worker

#### **Basic Management Principles**

Part 7 – Managing Change

## **Change and Chance of Success**

75% of change products do not work!

### **Change Concepts**

- Change is a natural phenomenon
- Change is continuous and ongoing
- Survival and growth are dependent upon adaptation to changing environment

### **Change Concepts**

- Environment can be and is influenced and shaped by the decisions and actions of the organization
- Learning from experience is essential for adaptation and change
- Individuals and organizations change in both common and unique directions

#### **Change Affects:**

- Structures
- Chains of command
- Responsibility limits
- Incentive systems
- Company culture and values

#### Required Skills

- Knowledge of product, technology, and processes
- Knowledge of development models
- Knowledge of organization of development activity
- Ability to work toward long-term goals

### **Affecting Change**

- Ability to motivate people
  - Empower
  - Non-threatening
  - Facilitative
- Obtain involvement
- Obtain commitment