Critical Managerial Activity and Competency of Healthcare Management: A Study of Eighteen Hospitals

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ABSTRACT

This study employed the activity competency model (ACM) to investigate the perceived importance of the managerial activities, skills and knowledge required by top management in the healthcare sector. A survey instrument was designed based on the ACM for data collection. It encompasses 17 initial managerial activities and 14 managerial competences required to effectively perform these management activities. Data for this study were collected using a structured questionnaire. Twenty-seven healthcare top managers from 18 major hospitals in Taiwan were selected. These include 10 medical centers and 8 regional hospitals. Among these 27 top managers, there are 12 superintendents, 13 vice superintendents, and 2 chief executive officers. A set of critical managerial activities and the competency needed for top managers in the healthcare sector was identified. Findings have implications for healthcare management development, training and management career planning. Additionally, these findings can also serve as guidelines for recruiting the right top healthcare managers.

Keywords: Activity Competency Model, Competency, Healthcare, Management Career Planning, Managerial Activity

INTRODUCTION

Since the 1990s healthcare has transitioned from fee-for service, case payment to global budget. As a result, major changes have occurred such as the tendency toward non-institutional care, primary care, outcome assessment and the emphasis on developing alliances between healthcare organizations. This rapid change has made organizational strategic management more challenging. These changes are expected to continue in the near future (Schultz & Pal, 2004). With the increased difficulty of running a healthcare organization, managers are required...
to develop more sophisticated capabilities (Griffith 2007). A top healthcare manager must adopt various managerial roles and functions that require effective communication with other functional areas and/or organizations, be able to manage organization resources, influence hospital strategy, and take on the responsibility by applying IT planning to cope with the hospital’s competitive environment.

As Schwartz (1996) indicates, although it is difficult to know the future, we can examine potential trends to determine the effect of possible development and take necessary steps to prepare for the future. To meet a healthcare organization’s needs in a constantly changing environment, top managers must manage their resources effectively. To achieve this objective, top managers should know exactly what to expect, what they should be doing in their positions, and how to operate effectively with the requisite skills and knowledge. Management development is therefore a highly necessary pursuit. The necessary competencies of a top manager are determined by the tasks that must be accomplished, the organizational environment in which they operate, and the people they work with.

Efforts to develop managerial competency programs for healthcare managers should consider the experience of the practitioners who actually perform the work and define the subject matter that healthcare managers should know. Minimal research (Lin et al., 2007) has been conducted on just what are the important roles and/or competencies of managers. However, little attention has been paid to top manager roles, activities and their needed competencies in the healthcare management literature. The objectives of this research were to investigate the critical managerial activities and competencies required for top management in the healthcare sector.

One way to characterize top management is in terms of the roles a top manager plays. Another way is based on the functions that a top manager performs. From the role perspective, Mintzberg (1973) concluded that a manager’s work could be described in terms of ten job roles. These consist of three interpersonal roles (figurehead, leader, and liaison), three informational roles (monitor, disseminator, and spokesman), and four decisional roles (entrepreneur, disturbance handler, resource allocator, and negotiator). According to Mintzberg, these ten roles are common to all managerial jobs, regardless of their functional or hierarchical level (Lin et al., 2007).

Rothwell, Sanders, and Soper (1999) identified seven healthcare manager workplace learning and performance roles (manager, analyst, intervention selector, intervention designer and developer, intervention implementer, change leader, and evaluator) to improve an organization’s performance.

To understand the manager’s roles, activity, and competency in more detail, Lin et al. (2007) proposed the activity competency model (ACM) derived from the job characteristics theory (Hackman & Oldham, 1980), to investigate managerial activities and competencies as shown in Figure 1. The ACM provided a sound base to further break down the roles and/or functions into specific managerial activities that a top manager might perform in the course of structuring a hospital’s resources.

The peak of the ACM is the management roles or functions. Different types of managers play different roles or functions vital to hospital success. At the next level, the managers must have mastered managerial activities to fulfill a role or perform certain functions. Proficiency in each of the critical activities depends on a command of the more elemental competencies at the skill and knowledge level that can be thought of as the most fundamental competencies contributing to organizational success. Based on the ACM, a competency in this study is defined as an ability that can be developed and that is manifested in performance, not merely in potential.

Top managers spend more time interacting with those outside the hospital or with groups participating in other medical areas. A top manager operates as an executive, is an active participant in strategy planning, and acts as a bridge between the functional areas and exter-
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