

PART I

Introduction

Leadership and Management

“To live a creative life, we must lose our fear of being wrong.
Leadership and learning are indispensable to each other.”

John F. Kennedy (1917–1963)

LEADERSHIP VERSUS MANAGEMENT

Today’s long-term care (LTC) services require both strong leadership and superb management. “Leadership” is defined as “to guide someone or something along the way, especially by going in advance; to direct on a course or in a direction” (Webster 1965). Leaders have the ability to take people to places they’ve never gone before. “Vision,” “trail-blazing,” “charisma” are words often used to describe leaders. Successful leaders enroll rather than sell people on their vision.

In contrast, “management” is defined as “judicious use of means to accomplish an end” (Webster 1965), and a manager is defined as “one who conducts business affairs with economy and care” (Webster 1965). Managers mobilize people and resources to produce a desired product or service effectively and efficiently. Management deals with the nuts-and-bolts functions of accomplishing daily tasks. Managers may also be leaders, but management activity has a much narrower focus, and management activities have more concrete short-term outcomes, either products or services.

Both strong leaders and effective managers are essential for today’s long-term care organization. Resources are scarce, the expectations

for the product or service are high, and the environment is constantly changing. Moreover, in long-term care, both functions may be required of the same person. In very large organizations, such as General Motors or Microsoft, hundred of managers populate a company led by a visionary leader whose daily job is to be creative and think “outside of the box.” In long-term care the typical organization has many front-line clinical providers, very few managers, and a budget too tight to pay someone just to be the visionary leader. In long-term care, the top manager and organizational leader are likely to be one and the same person.

For these reasons, it’s important that all those in management positions understand that their roles may have elements of both functions. It’s also imperative that managers in long-term care be skilled at their daily management tasks, thereby generating the self-confidence that underpins leadership. Similarly, knowing the characteristics of leadership may help good managers to break through the specifications of their daily jobs to become leaders. The remainder of this chapter discusses leadership and management in more detail, differentiating the two concepts, but recognizing that in practice, especially in long-term care, they often overlap in an individual.

LEADERSHIP

Leadership is about having a vision of the future and motivating people to achieve that vision. Motivating employees to sign on to the vision is a major concern for all leaders. Although some people are recognized as “natural born leaders,” leadership can be learned. Leadership has many styles, and not all work in every circumstance. Leadership may also be situational: people, and the organizations they work in, may need leaders more at some times than others.

Numerous authors and leadership specialists have described the traits of a successful leader. These range from *The Seven Habits of Highly Effective People* noted by Stephen Covey (Covey 1989) to an array of self-help books. Kouzes and Posner capture the essence of

Table 1.1. Ten Commitments of Leadership

<i>Practices</i>	<i>Commitments</i>
Challenging the process	1. Search out challenging opportunities to change, grow, innovate, and improve. 2. Experiment, take risks, and learn from the accompanying mistakes.
Inspiring a shared vision	3. Envision an uplifting and ennobling future. 4. Enlist others in a common vision by appealing to their values, interest, hopes, and dreams.
Enabling others to act	5. Foster collaboration by promoting cooperative goals and building trust. 6. Strengthen people by giving power away, providing choice, developing competence, assigning critical tasks, and offering visible support.
Modeling the way	7. Set the example by behaving in ways that are consistent with shared values. 8. Achieve small wins that promote consistent progress and that build commitment.
Encouraging the heart	9. Recognize individual contributions to the success of every project. 10. Celebrate team accomplishments regularly.

Source: Kouzes, J. M., and B. Z. Posner. 2002. *The Leadership Challenge, 3rd Edition*. San Francisco: Jossey-Bass. Copyright © 2002. This material is used by permission of John Wiley & Sons, Inc.

good leadership in their book *The Leadership Challenge: Five Commitments and Ten Practices of Good Leadership* (Kouzes and Posner 2002). These five commitments and ten practices of leadership are shown in Table 1.1. Anyone interested in improving his or her leadership quotient should consider these suggestions.

To be a leader in long-term care, one must know the field, be sensitive to people, understand the environment, and develop good partnering skills. With this base, the leader must have the organizational

authority and the personal self-confidence to create a vision for the future and, if necessary, guide the organization in change (see call-out “Developing Strong Leadership and Effective Management”).

MANAGEMENT THEORIES

Whereas charismatic leaders have existed throughout time, management evolved as a science after the Scientific Revolution and, more specifically, during the twentieth century. In long-term care organizations, top staff are often few and the structure shallow; thus, visionary and inspirational leaders at the top must also be skilled managers. They must know the principles, concepts, and standard tools of the basic functions of management.

Over the past one-hundred years, a number of classical management theories have been developed to explain the ways to manage people. A brief summary follows of the major theories and schools of thought that have affected today’s managers (Certo 2000).

Scientific Management

Scientific management is attributed to Fredrick Taylor (Taylor 1911). Taylor believed that management of people could be done through scientific application of work methods, productivity, goals, and goal setting. Scientific management purports that “one best way” exists to organize the making of a product.

The focus of scientific management was the production line, and the desired output was a completely standardized physical product. It was a useful theory for mass producing a dependable automobile with parts that could be replaced by any mechanic anywhere in the country. However, the theory was not designed to apply to the service industry, where each client is unique and the “product” is tailored to meet an individual’s needs.

Developing Strong Leadership from Effective Management

Diane had joined the Community Nursing Facility as its new director of nurses (DON). She had recently relocated from another state because her husband had been transferred. Although she had complete confidence in her clinical abilities as a nurse, she was still learning the rules that apply to nursing facilities in this new state.

A month later, the administrator unexpectedly resigned. A person from corporate headquarters appeared and announced that she would be the interim administrator. Within two weeks, the interim administrator offered Diane the job of assistant administrator/administrator in training. In six months, she could be the new administrator, with full responsibility for the nursing home.

Diane believed that she was a “natural leader”; she had been president of the PTA at her daughter’s school and secretary of her nursing class. She had a good rapport with the staff of the nursing facility, and she believed that the aides and LVNs respected her. She thought being the administrator might give her a chance to bring a new ambiance to the home. On the other hand, she did not know anything about management; her expertise was clinical care. She did not know if six months of on-the-job training would be sufficient to prepare her to take over as both the leader and senior manager of the large home. She could read the licensing exam prep book to find out what she needed to master about management, but she didn’t know what being the organization’s leader really meant.

Goals, production methods, and timeframes were unilaterally set by management and implemented rather harshly. Employees were viewed as a commodity rather than an asset, differing from modern management theories. The principles of the theory of scientific management are not consistent with today’s healthcare management setting, where mutual goals are agreed upon between a manager and an employee, with target dates and completion dates attributed to each goal.

Hierarchy of Needs

A vastly different approach to explaining management comes from Alexander Maslow, whose management theory explains how employees relate to stimuli based on their current level of need (Maslow 1997). Maslow's theory identifies five levels of need, beginning with food and shelter and moving to self-actualization (see Figure 1.1). Maslow's hierarchy of needs posits that if an employee needs shelter, food, and other basic physical essentials of daily living, it is impossible to motivate him with psychological rewards. On the other hand, people who have a home, a car, and a good income are motivated by intangibles, such as commitment, involvement, and having equity in the business, as opposed to receiving a paycheck each week. Maslow remains the most quoted leadership theorist today.

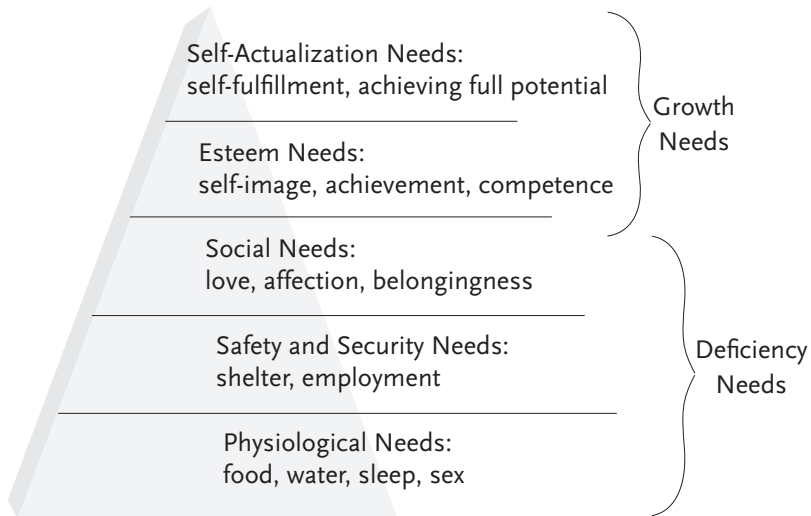
Theory X/Theory Y

Theory X and Theory Y categorizes managers based on their beliefs about employee behavior. Douglas McGregor noted that many managers tend to have attitudes that reflect their belief about workers (McGregor 1960). Simply put, the theory has two sets of manager attitudes. The Theory X manager assumes people dislike work and try to avoid it. Employees must therefore be coerced to perform, since they avoid responsibility and prefer to be directed. In contrast, the Theory Y manager believes people seek responsibility and are creative in solving organizational problems due to commitment. Managers take different approaches to decision making based upon which theory they follow.

Hygiene and Motivation Factors

Fredrick Herzberg put forth the theory that two types of factors are at play in the workplace (Herzberg, Mausner, and Snyderman 1967).

Figure 1.1. Maslow's Hierarchy of Needs



Source: Maslow, A. 1997. "A Theory of Human Motivation." In *Motivation and Personality, 3rd Edition*, edited by R. D. Frager and J. Fadiman. Copyright © 1997, by permission of Pearson Education, Inc., Upper Saddle River, NJ.

His two-factor theory outlines how hygiene and motivating factors impact employees. Many LTC employers believe that by having good wages, good working conditions, and benefits, employees should be satisfied and motivated. Herzberg sees these as hygiene factors. In other words, they're maintenance factors and keep the employee coming to work but are not motivational. To motivate a person, a job requires other attributes. Hygiene and motivating factors are shown in the accompanying box, "Two-Factor Theory: Hygiene Factors and Motivating Factors."

Systems Theory

Systems theory states that organizations are composed of people, tasks, and structure, all of which are affected by the environment.

Two-Factor Theory: Hygiene Factors and Motivating Factors

<i>Hygiene Factors</i>	<i>Motivation Factors</i>
Company policy and administration	Opportunity for achievement
Supervision	Opportunity for recognition
Relationship with supervisor	Work itself
Relationship with peers	Responsibility
Working conditions	Advancement
Salary and benefits	Personal growth
Relationship with subordinates	

Source: Certo, S. C. 2000. Supervision: Concepts and Skill Building, 3rd Edition, 212. New York: McGraw-Hill/Irwin. Used with permission.

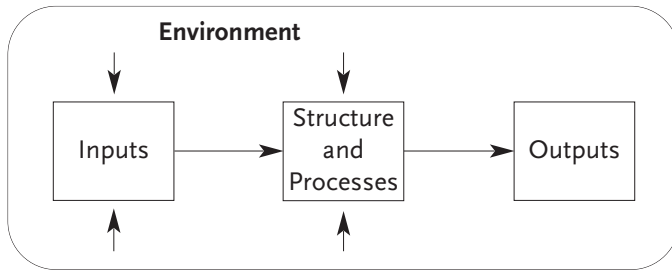
Organizations are conceived of being like living organisms. Inputs (resources) are transformed by processes into outputs. Outputs are the products of the organization and reflect the organization's goals. Systems theory emphasizes the dynamic flow of organizational activity. Figure 1.2 shows a schematic of the type used to diagram systems management.

LEADERSHIP AND MANAGEMENT STYLES

Personality is an inherent component of leadership and management style. Leadership and management can both be learned, so personality should not really be a factor in prohibiting success. However, behavior may be partially natural and partially learned.

One of the favorite theories used by seminar leaders and others who try to predict management style is the managerial grid theory, first developed by Robert Blake (Blake and Mouton 1964). The underlying premise is that people have tendencies toward a dominant leadership style, and managers of each style interact with employees, co-workers, and superiors in predictable ways. These management styles are called different names by different authors

Figure 1.2. Systems Theory Diagram



but, in general, fit into four categories: participative, autocratic, task or technical, and laissez-faire.

A variety of tools are available to evaluate management style. The Myers-Briggs instrument is a popular mechanism for self-assessment of personality type, which affects management style. Another tool, the Birkman Assessment, can be used for individual development and executive coaching. This is a set of powerful assessments that reveal human processes and perceptions affecting individuals and their performance in the workplace. Individuals gain insights and tools that lead to personal and professional effectiveness. A “360-degree assessment” is a technique for gaining feedback about a manager’s performance from the people with whom he works at all levels of the organization. Each such tool has categories for characterizing style, and most extend these style categories to predict interactive patterns with other professionals, staff, and clients.

Knowing one’s own management style, and that of others with whom one interacts, can provide a guide to maximizing effective interaction and avoiding problems. Styles may also vary depending upon the circumstance, and reexamining is useful as career and employment settings change over time.

Long-term care is a people business, whether dealing with clients or staff or referral sources. Thus, styles that facilitate easy interaction with people are particularly useful.

MANAGEMENT COMPETENCIES

Recently, considerable attention has been given to the basic competencies required of managers and leaders in the field of health-care administration. Ross, Wenzel, and Mitlyng have identified ten areas essential for healthcare administrators to master, regardless of their area of specialization (Ross, Wenzel, and Mitlyng 2002). Thus, the areas apply to those managing long-term care as well as other areas. The ten competency areas are as follows:

1. Governance and organizational structure
2. Human resources
3. Financial management and economics
4. Planning and marketing
5. Information systems
6. Communication and public relations
7. Community health and managerial epidemiology
8. Quantitative analysis and modeling
9. Legal and ethical issues
10. Organizational and healthcare policy

To these might be added the practical considerations of space and physical resource management.

A manager's belief that he or she is knowledgeable about management topics is not enough. Managers must honestly measure their abilities in each competency area to identify opportunities for improvement. Criteria and tools for universal measurement of general healthcare administrators are in the process of being developed (NCHL 2004).

Competency requirements specifically focused on long-term care include those established for licensed nursing home administrators and, increasingly, for those who manage assisted living facilities. The National Advisory Board for Nursing Home Examiners (NAB) has established five competency areas that reflect the areas of information needed to pass the federal nursing home

administration examination required by Medicare (www.nab-web.org). Excellent resources for learning the required information and passing the nursing home or assisted living exam have been developed by James Allen (Allen 2003); see www.ltcedu.com for further information.

The purpose of this book is to introduce the reader to the basic management functions that require mastery for ultimate success as a manager of long-term care services. For each topic, numerous books have been written that focus on just that topic, management gurus on these issues speak at national conferences, conceptual frameworks have been articulated, specific tools have been developed, and highly sophisticated software can perform the function on behalf of the organization. This book does not purport to make the reader an expert on all individual management topics, rather, it aspires to provide the reader with basic familiarity, the nomenclature of the topic, core principles, and specific tools.

The specifics of managing long-term care operations will vary with each organization and each state and local context. For specifics about regulations, payment systems, and contracting parameters, the long-term care manager will need to consult local information. Professional and trade associations and state and local governments are typical sources of information, and expert consultants are usually available to assist with specific problems.

Managers are problem solvers and decision makers. No manager, no matter how brilliant, can know everything about all issues. The key to excellence in management is framing the problem based on management fundamentals, knowing how and where to find the information needed to enlighten the problem, and having the confidence to make a decision based on the available information.

SUMMARY

LTC organizations need both leaders and managers. Due to the relatively small size of many LTC organizations, a person must often

fulfill both roles. Everyone working in senior management in an LTC organization must be knowledgeable about the basic management functions. In addition, knowing one's style helps tailor performance to the situation. Managers who are confident in their skill and savvy in their relationships with people are then poised to grow into positions of leadership, as well as into top management.

KEYS TO MANAGEMENT SUCCESS

- Differentiate the requirements for a good leader from those for a good manager.
- Learn the basic concepts and tools of the fundamental management functions.
- Assess your own management style. Reassess periodically.
- Be proactive in being positive about people—clients, customers, staff, consultants.

REVIEW QUESTIONS

1. List the differences between leadership and management.
2. Describe five characteristics of effective leaders.
3. Describe four management theories.
4. Explain briefly six fundamental management functions.
5. What is the role of personality and style in leadership and management?
6. What actions can a manager take to assess his or her own performance?

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