

Organizational Behavior, Theory, and Design in Health Care

SECOND EDITION

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To my husband

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Preface

In 2005 I authored my first book, *Organizational Behavior in Health Care*, and in its Preface I wrote, “the U.S. health care industry has grown and changed dramatically over the past twenty-five years.” That was an understatement! Since the passing of the Patient Protection and Affordable Care Act, the industry has experienced some of the most dynamic changes that health care managers have seen. In the coming years, more system-wide changes will occur as we continue our push towards achieving value-based health care. Health care managers are quickly learning what worked in the past may not work in the future. This was my compelling reason for writing the first edition of this book. I wanted to assist those who are on the front lines every day, health care managers who must motivate and lead others in, and adapt their organizations to, a complex and constantly changing environment. This is not an easy task, which I know firsthand. Before joining the academic world, I held the positions of COO, CFO, and administrator for various health care organizations.

The purpose of this book is to provide students, health care managers, and other professionals with an in-depth analysis of the theories and concepts of organizational behavior and organization theory while embracing the uniqueness and complexity of the industry. Although health care is similar to other industries, it is also very different. It is the nation’s largest and complex industry, employing more than 18 million people in numerous interrelated and interdependent segments. Health care managers need to deal with and attempt to balance numerous competing issues on a daily basis (e.g., providing care for the uninsured while controlling costs, providing quality care while experiencing labor shortages, providing market wages with declining reimbursements, etc.).

Using an applied focus, this book provides a clear and concise overview of the essential topics in organizational behavior and organization theory from the health care manager’s perspective. It is my goal that after you have read this book, you will gain a greater understanding of why individuals and/or groups behave the way they do in the workplace, how organizations behave in relationship to their environments, how organizations are affected by

individuals' behaviors, and how organizations affect individuals' behaviors. With this knowledge you will be able to predict and thus effectively influence the behavior of those you lead, and ensure that the organization's structure is designed to achieve success. Please let me know if I accomplish my goal! You can reach me at nborkows@uab.edu or by phone at 205-996-2336. I tried to ensure that I referenced all the individuals whose work contributed to the development of this book. If by chance I failed to give credit to someone along the way, please contact me so I may make the necessary correction.

At this time I wish to acknowledge those whose efforts and support made this book possible. First, I wish to thank my colleagues and second edition contributors, Jean Gordon, Paul Harvey, Mark Martinko, and Jeff Ritter. Second, I want to thank my wonderful family for their patience, understanding, and support over the years. Finally, I wish to thank the many wonderful and caring people employed throughout the health care industry that I have had and will have the opportunity to work with. My life continues to be blessed by these dedicated individuals!

Thank you for purchasing (and reading) my book. I welcome your comments and suggestions.

With personal regards,

Nancy Borkowski, DBA, CPA, FACHE, FHFMA

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Nancy Borkowski, DBA, CPA, FACHE, FHFMA is Professor in the Department of Health Services Administration at the University of Alabama at Birmingham. She received her DBA with specializations in health services administration and accounting from Nova Southeastern University. Dr. Borkowski has over 20 years of experience in the health care industry and is a two-time past recipient of the American College of Healthcare Executive's (ACHE) Southern Florida Senior Career Healthcare Executive Award, which recognizes individuals who have made significant contributions to the advancement of health management excellence.

Dr. Borkowski is a certified public accountant, board certified in health management, and a Fellow of both the American College of Healthcare Executives and the Health Care Financial Management Association. Dr. Borkowski is a nationally recognized author whose book, *Organizational Behavior in Health Care*, was referred to as "one of the most significant advances in the field of health services administration" and which was awarded the AJN 2005 Book of the Year Award for nursing leadership and management. She is the author of three textbooks that are widely used both nationally and internationally in graduate and undergraduate health administration and nursing programs.

Dr. Borkowski's work has been published in the *Journal of Ambulatory Care Management*, *Leadership in Health Services*, *Group & Organization Management*, *Organizational Behavior and Human Decision Processes*, *Health Care Management Review*, *Journal of Health Administration Education*, *Journal of Health and Human Services Administration*, *International Journal of Public Administration*, and various other journals.

Dr. Borkowski's teaching interests are leadership, organizational behavior, and strategic management. She is a past recipient of the ACHE's Excellence in Teaching Award, which is given to faculty who engage in furthering academic excellence and the professional development of health management students.

Over the past decade, Dr. Borkowski has served in various leadership roles for the Academy of Management's Health Care Management Division, American College of Healthcare Executive's Southern Florida Regent's Advisory Council, the South Florida Healthcare Executive Forum, and various other health

related organizations. In 2013, Dr. Borkowski was the recipient of the Jessie Trice Hero Award for her leadership and commitment to improving the lives of underserved and minority populations. She has also been honored with the Exemplary Service Award from the American College of Healthcare Executives (2012) and the Reeves Silver Merit Award from the Healthcare Financial Management Association (2014).

Opening Remarks

Organizational behavior (OB) is the study of individual and group dynamics within an organization setting (micro level of analysis), whereas organization theory (OT) is the study of the organization as a whole (macro level of analysis).

This book integrates the study of organizational behavior and organization theory to provide the reader with an understanding of how organizations are affected by individuals' behaviors and how organizations affect individuals' behaviors. House, Rousseau, and Thomas-Hunt (1995) pointed out:

Individuals and groups affect the organization and the organization in return influences individuals and groups. To thrive in organizations, managers and employees need to understand multiple levels [within organizations] simultaneously. For example, research may show that employee diversity enhances innovation. To facilitate innovation, managers need to understand how structure and context (organization theory) are related to interactions among diverse employees (organizational behavior) to foster innovation, because both macro and micro variables account for innovation.

For example, Miller and Droge, as cited in House, et al. (1995, p. 81), found that small companies' organizational form could partially be explained by the degree to which the entities' CEOs were achievement-oriented (see Chapter 5, McClelland's 3-Needs Theory). CEO achievement orientation was associated with a more centralized organizational form (see Chapter 22—Organizational Structures), which reflected the CEO's desire to be closely involved in critical decision making (see Chapter 13—Decision Making).

Today's health care managers are being challenged to redesign the industry to deliver patient-centered, value-based care. As such, managers need to understand the interrelationship between organizational behavior and organization theory to successfully lead the transformation of their organizations to meet the needs and demands of society.

In this book's 23 chapters, we examine numerous OB and OT theories and concepts. In Section One, our focus will be the micro level of analysis: individuals and groups. Within Section One's 19 chapters, you will gain an understanding of how and why people and groups behave the way they do in the workplace. With this understanding, managers are better able to predict behavior responses and, as a result, manage the desired outcomes. Section Two focuses on the macro level of analysis—the organization. Within

Section Two's four chapters, we will discuss the theories and concepts related to the structure and design necessary for organizations to achieve effectiveness (i.e., doing the right thing—delivering value-based patient care) and efficiency (i.e., doing it the right way).

By definition, an organization is a collection of people working together under a defined structure to achieve predetermined outcomes. Therefore, it makes sense that we examine both organizational behavior and organization theory simultaneously since organizations affect individuals' behaviors and individuals' behaviors affect organizations!

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