

PAD 401
English Reading in
Public Administration
FIRST SEMESTER 1427-1428

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1. Historical Development of Management Thought

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I. Scientific Management

Frederic Taylor's 4 principles of [management](#):

- Develop a science for each element of an individual's work
- Scientifically select, train and develop the worker
- Heartily cooperate with the workers
- Divide work & responsibility equally between managers & workers
- Improve production efficiency through work studies, tools, economic incentives

(Taylor 1911. Principles of Scientific Management)

II. General Theories of Administration

Henri Fayol identified 14 principles of management - universal truths that can be taught in schools:

- Division of work
- Authority
- Discipline
- Unity of command
- Unity of direction
- Subordination of individual interest
- Remuneration
- Centralization
- Scalar chain
- Order
- Equity
- Stability of tenure
- Initiative
- Esprit de corps

All managers perform 5 functions:

- Plan
- Organize
- Command
- Coordinate
- Control

(Fayol 1916. Industrial & General Administration)

Max Weber described an ideal Bureaucracy as a theory of administration based on rational-legal authority systems:

- **Division of labor.** Organizations need to appear rational and so gain legitimacy, in order to secure resources and support, and to inspire confidence and trust.
- **Authority hierarchy is an essential part of PR.** May be through internal data analysis or external consultants.
- **Formal selection**
- **Formal rules & regulations**
- **Impersonality**
- **Career orientation**

(Weber 1947. The Theory of Social & Economic Organization)

VI. What is Management?

Management is the process of getting activities completed efficiently and effectively with and through other people.

Management functions:

- Planning
- Organizing
- Staffing
- Directing
- Coordinating
- Reporting
- Budgeting

(Gulick & Urwick 1937. Papers on the Science of Administration)

Management roles:

- **Interpersonal roles** Figurehead, Leader, Liaison
- **Informational roles** Monitor, Disseminator, Spokesperson
- **Decisional roles** Entrepreneur, Disturbance handler, Resource allocator, Negotiator

(Mintzberg 1973. The Nature of Managerial Work)

VIII. Human Relations Movement



Elton Mayo and the Hawthorne Studies discovered that the informal organization, social norms, acceptance, and sentiments of the group determined individual work behaviour.

(Mayo 1933. The Human Problems of an Industrial Civilization)



[Maslow](#), [McGregor](#), [Herzberg](#), and many others stressed the importance of social relations in organizations, understanding workers and managers as human beings with social and emotional needs.

Planning

I. Nature of Planning

Planning is the management of the organization's future in an uncertain environment.

1 Types of Plans:

Strategic

Strategic plans are organizationwide, establish overall objectives, and position the organization with relation to its environment.

Operational Plans

Operational plans specify details on how individual objectives are to be achieved.

Plans may be long-term or short-term, directional or specific.

2 **Contingency** factors in planning:

- ▶ Organizational level
- ▶ Life cycle of the organization
- ▶ Environmental uncertainty
- ▶ Length of future commitments.

3 Myths about Planning

- ▶ Planning that proves inaccurate is a waste of management's time.
 - ▶ Planning can eliminate change.
 - ▶ Planning reduces flexibility.
-

II. Objectives: The Foundation of Planning

1 Hierarchy of objectives

- Vision
- Mission
- Goals
- Objectives
- Policies
- Procedures

2 Objectives should be specific, attainable, yet challenging.

- Is the objective appropriate for the library at this time?
 - Does it take the organization in the direction it wants to go?
 - Does it support the overall mission of the library?
 - Is it compatible and complementary with the other objectives?
 - Is it acceptable and understandable to the majority who will be charged with implementing it?
 - Is it affordable for the organization?
 - Is it measurable and achievable?
 - Is it ambitious enough to be challenging?
-

III. Strategic Planning

The strategic planning process is continuous:

- Identify current mission, goals, values ----->
- Environmental assessment ----->
- Strategic goal setting and elaboration ----->
- Development of operational plans and budgets ----->
- Implementation ----->
- Evaluation and Feedback.

IV. Tools for Planning

1 Environmental scanning and forecasting

2 SWOT analysis

3 Benchmarking

4 Operations research

5 Standards and guidelines

V. Management by Objectives

1

MBO is a system in which specific performance objectives are jointly determined by subordinates and their superiors, progress toward objectives is periodically reviewed, and rewards are allocated on the basis of this progress.

2

MBO Principles

- Cascading of organizational goals and objectives
 - Specific objectives for each member
 - Participative decision making
 - Explicit time period
 - Performance evaluation and feedback
-

Organizational Design

I. Principles of Organizational Design

1 Division of Labour

- ✱ Departmentalization
- ✱ Specialization

2 Unity of Command

- ✱ Line of command
- ✱ One superior

3 Authority and Responsibility

- ✱ Line and staff authority
- ✱ Authority and power

4 Spans of Control

- ✱ Levels of control
- ✱ Centralization and decentralization

5 Contingency Factors

- ✱ Environment and technology
 - ✱ Knowledge technology: task variability & problem analyzability
-

II. Organizational Structures

1 Functional Organizations

- ✓ Reduces duplication of activities
- ✓ Encourages technical expertise

- X** Creates narrow perspectives
- X** Difficult to coordinate

2 Divisional Organizations

- ✓** Improves decision making
- ✓** Fixes accountability for performance
- ✓** Increases coordination of functions
- X** Hard to allocate corporate staff support
- X** Loses some economies of scale
- X** Fosters rivalry among divisions

3 Matrix Structures

- ✓** Reinforces & broadens technical excellence
- ✓** Facilitates efficient use of resources
- ✓** Balances conflicting objectives of the organization
- X** Increases power conflicts
- X** Increases confusion & stress for 2-boss employees
- X** Impedes decision making

4 Lateral Relations

- ✱** Dotted-line supervision
- ✱** Liaison roles
- ✱** Temporary task forces
- ✱** Permanent teams
- ✱** Integrating managers

III. Effective Organizational Design



Use functional structures when the organization is small, geographically centralized, and provides few goods and services.



When the organization experiences bottlenecks in decision making and difficulties in coordination, it has outgrown its functional structure.



Use a divisional structure when the organization is relatively large, geographically dispersed, and/or produces wide range of goods/services.



Use lateral relations to offset coordination problems in functional and divisional structures.



When the organization needs constant coordination of its functional activities, then lateral relations do not provide sufficient integration. Consider the matrix structure.



To adopt the matrix structure effectively, the organization should modify many traditional management practices.

IV. Organizational Change

1 Organizational Development

- ✱ Set of activities and techniques to manage change
 - ✱ Change agent
 - ✱ Change intervention
- Unfreezing-----> Movement -----> Refreezing

2 Structural Interventions

- ✱ Reorganization
- ✱ New reward systems
- ✱ Cultural change

3 Task-Technology Interventions

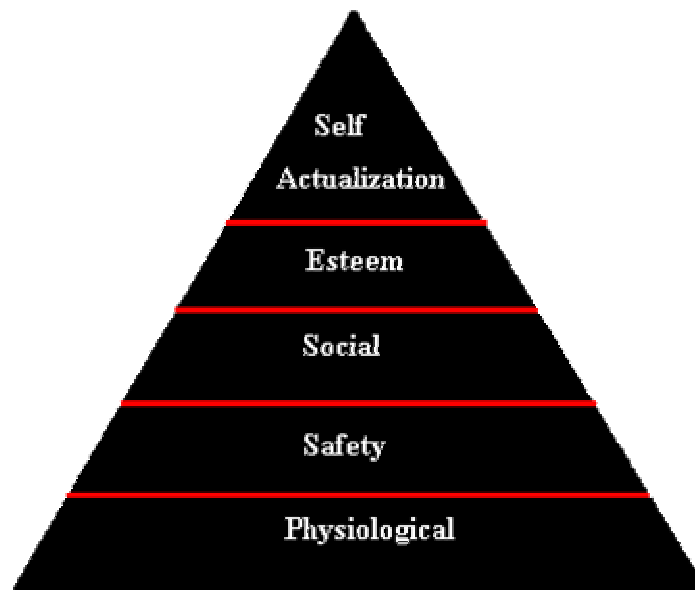
- ✱ Job redesign
- ✱ Socio-technical systems
- ✱ Quality of working life

4 People-focused Interventions

- ✱ Sensitivity training
- ✱ Survey feedback
- ✱ Process consultation
- ✱ Team building
- ✱ Intergroup development

Motivation

I. Hierarchy of Needs Theory



(Abraham Maslow, Motivation and Personality, 1954)

Theory X Assumptions:

-  People inherently dislike work
-  People must be coerced or controlled to do work to achieve objectives
-  People prefer to be directed

Theory Y Assumptions:

-  People view work as being as natural as play and rest
-  People will exercise self-direction and -control towards achieving objectives they are committed to
-  People learn to accept and seek responsibility

(Douglas McGregor, The Human Side of Enterprise, 1960)

III. Motivator - Hygiene Factors Theory

1 Motivator factors increase job satisfaction:

- Achievement
- Recognition
- Work itself
- Responsibility
- Advancement
- Growth

2 Hygiene factors are those whose absence can create job dissatisfaction:

- Supervision
- Company policy
- Working conditions
- Salary
- Peer relationship
- Security

([Frederick Herzberg](#), Work and the Nature of Man, 1966)

IV. Three Needs Theory

1 Need for Achievement

- Need for Achievement
- Personal responsibility
- Feedback
- Moderate risk

2 Need For Power

- Influence
- Competitive

3 Need for Affiliation

- Acceptance and Friendship
- Cooperative

(David McClelland, The Achieving Society, 1961)

V. Goal-Setting Theory



Specific goals increase performance, and difficult goals, when accepted, result in higher performance than easy goals.

VI. Equity Theory



An employee compares her/his job's inputs-outcomes ratio with that of referents.



If the employee perceives inequity, she/he will act to correct the inequity:

- ☛ Lower productivity
- ☛ Reduced quality
- ☛ Increased absenteeism
- ☛ Voluntary resignation.

(J. Stacey Adams, 1965)

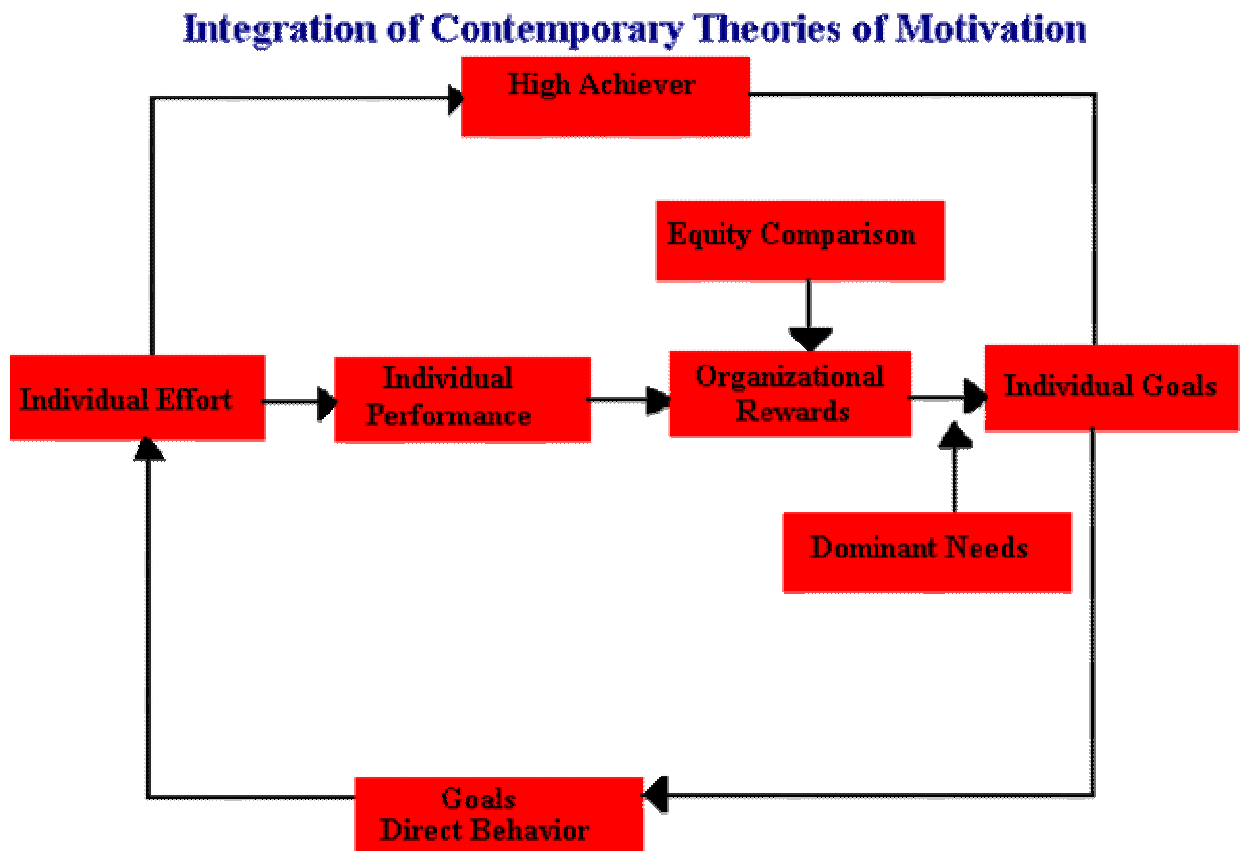
VII. Expectancy Theory

An individual will act in a certain way based on the expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.

- ☛ **Effort** -----> **Performance linkage** (How hard will I have to work?)
- ☛ **Performance** -----> **Reward linkage** (What is the reward?)
- ☛ **Attractiveness** (How attractive is the reward?)

(Victor Vroom, Work and Motivation, 1964)

VIII. Integration and Implications



Suggestions for Motivating the Employees

- Recognize individual differences
- Match people to jobs
- Use goals
- Individualize rewards
- Link rewards to performance
- Check the system for equity
- Don't ignore money.

Leadership

I. Behavioral Theories

1 Ohio State University Studies

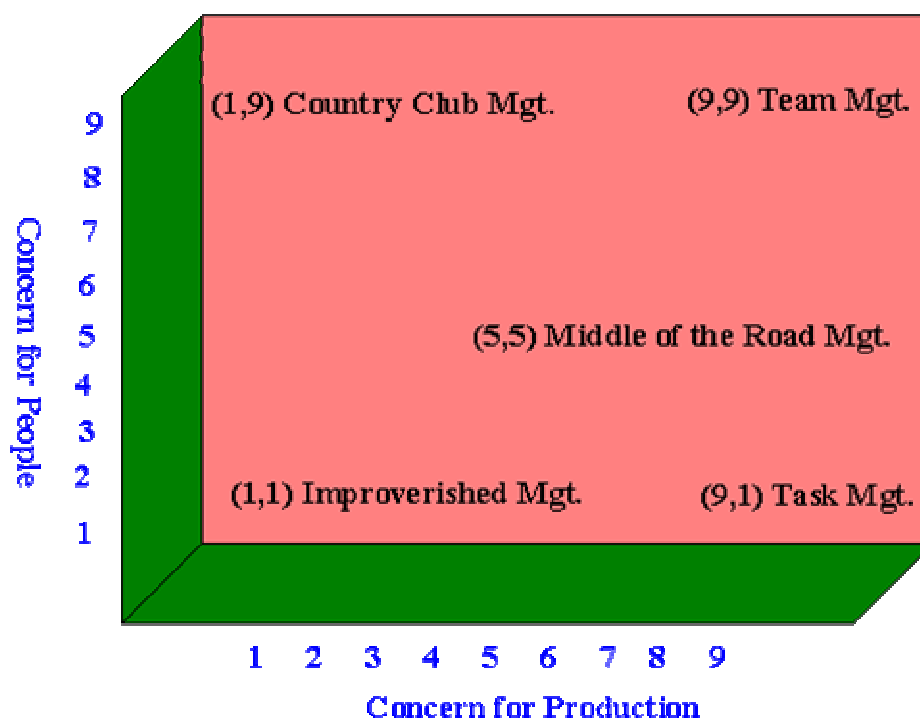
Initiating structure + Consideration = High-high leader

2 University of Michigan Studies

Employee-oriented and Production-oriented

3

The Managerial Grid



II. Recent Theories

1 Attribution Theory

Leadership is merely an attribution that people make about other individuals. People tend to characterize leaders as having these traits: Intelligence, outgoing personality, verbal skills, aggressiveness, consistency, determination,

2 Charismatic Leadership

Followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors.

Charismatic leaders:

- 😊 have a compelling vision or sense of purpose
- 😊 communicate that vision effectively
- 😊 demonstrate consistency and focus
- 😊 know their own strengths and capitalize on them

Are charismatic leaders born or could they be trained?

3 Transformational Leadership

Transactional leaders guide or motivate their followers in the direction of established goals by clarifying role and task requirements.

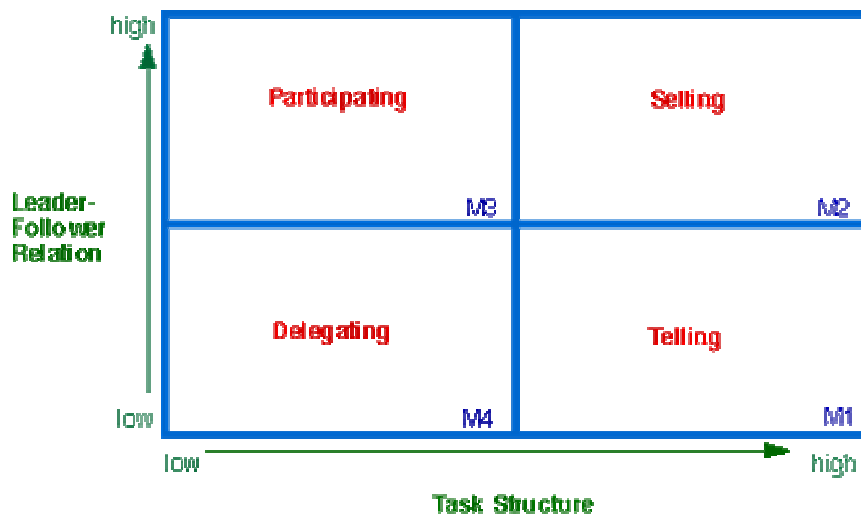
Transformational leaders provide individualized consideration, intellectual stimulation, and possess charisma.

Transformational leadership builds on top of transactional leadership.

III. Contingency Theories

1 Situational Theory (Paul Hersey & Kenneth Blanchard)

- 😊 Relationship behavior
- 😊 Task behavior
- 😊 Maturity of followers



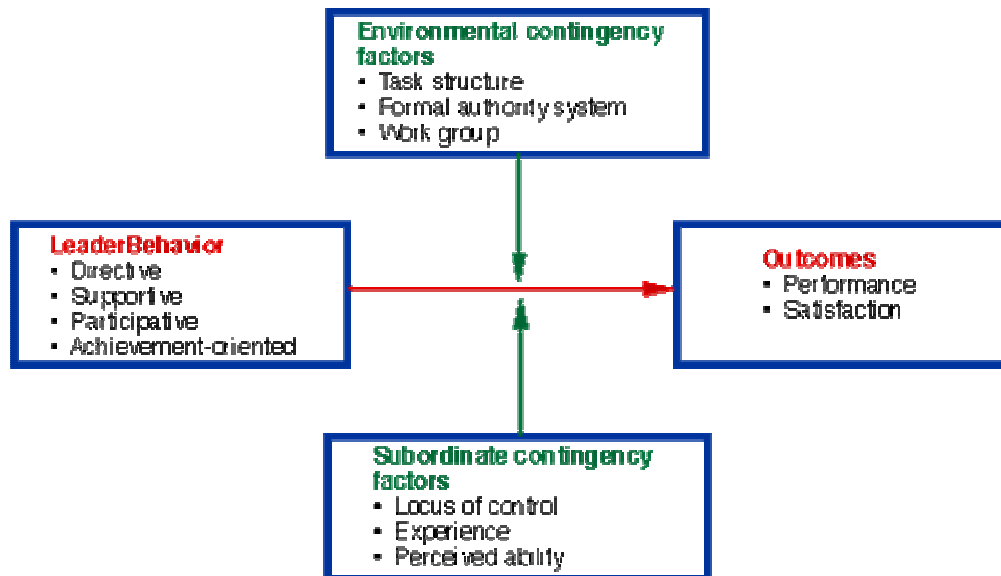
Ability and Willingness ("maturity") of followers:

- M1: Unable and unwilling to take on responsibility
- M2: Able but unwilling
- M3: Unable but willing
- M4: Able and willing to do the job asked by leader

2

Path-Goal Theory (Robert House)

Leader's behavior is acceptable to subordinates insofar as they view it as a source of immediate or future satisfaction.



What is an "Organization"?

"A group of persons with a common objective" (Neoclassical)

"A structured process in which individuals interact for objectives" (Hicks, Management of Organizations, p.23)

"A structure of relationships, power, objectives, roles, activities, communications and other factors that exist when persons work together" (Classical amalgamism)

"A dynamic social system of cooperative interactions with the purpose of satisfying individual needs" (Chaster Barnard, 1938; = transition between neoclassical and modern; accommodating formal and informal aspects of organizations)

"A set of social relations deliberately created, with the explicit intention of continuously accomplishing some specific goals or purposes" (Stinchcombe, in J. March, ed., Handbook of Organizations, 1964, p.142.)

"A system of structural interpersonal relations ... (within which) ... individuals are differentiated in terms of authority, status, and role with the result that personal interaction is prescribed... Anticipated reactions tend to occur, while ambiguity and spontaneity are decreased" (R.V. Prethuis)

"A system consisting generally of inputs, process, outputs, feedback, and environment" (Norbert Wiener's cybernetic interpretation of organization)

"A set of interlocked activities under unified control" (Pfeffer & Salancik)

"Every organized human activity -- from the making of pots to the placing of a man on the moon -- gives rise to two fundamental and opposing requirements: The division of labor into various tasks to be performed, and the coordination of these tasks to accomplish the activity" (Mintzberg, 1983)

"The most effective organizations achieve a degree of differentiation and integration in organizational boundary-spanning functions which is compatible with environmental demands" (Lawrence & Lorsch, 1967)

"Formal organization: "The goals to be achieved, the rules the members of the organization are expected to follow, and the status structure that defines the relations between them have not been spontaneously emerged in the course of social interaction but have been consciously designed a priori to anticipate and guide interaction and activities" (Blau & Scott, Formal Organization, 1962, p.5)

"One characteristic which distinguishes organizations from other collections of people is a commitment to achieving members' goals by means of an explicit and stable structure

of task allocations, roles, and responsibilities. Mobs and informal groups are not organizations. Social and service clubs, like Rotary and Kiwanis, are organizations only part of the time. However, as long as one is concerned with organizational behavior and not with social behavior in general, one should emphasize the modes of behavior in which organizations specialize" (W.H. Starbuck, 1965)

"Different types of organizational structure are suitable for particular environmental conditions. An organization with well-defined tasks and a rigidly hierarchical system of decision-taking is argued to be appropriate for stable environmental conditions. Where the environment is changing, an organic form of organizational structure is deemed more appropriate, in which tasks are flexibly defined and participants cooperate on the basis of expertise and not on hierarchical positions" (=contingency view; Burns and Stalker, 1961)

Q. What is the definition of Human Resources?

A. The number one glossary suggestion and question that people request is: “What is the definition of human resources?” William R. Tracey, in *The Human Resources Glossary* defines Human Resources as: “The people that staff and operate an organization ... as contrasted with the financial and material resources of an organization. The organizational function that deals with the people ...” Long a term used sarcastically by individuals in the line organization, because it relegates humans to the same category as financial and material resources, human resources will be replaced by more customer-friendly terms in the future

Why the Emphasis on the Resume in Job Search?

By Cleve Rowley*

Saying it is not about the resume is like describing Babe Ruth’s homerun hitting ability and saying it is not about the bat. To a spectator, the bat is the most visible and audible part of a home run swing. With the “crack of the bat,” we see the ball soar out of the ballpark. To the untrained eye, the bat is preeminent because it is the tool that enabled the Babe to make contact with the ball.

The bat is inanimate and is only a solid piece of wood that anybody can buy or make. However, a person with a trained eye, who knows how to evaluate talent, can see beyond the bat. The greatness of the player is the experience, talent (both physical and mental), motivation, desire, confidence and focus. The same principle applies to a job search. The resume is the tool, but not the decisive factor.

As an Executive Coach and Recruiter, the most frequent question I receive from candidates is “how does my resume look?” I don’t want to diminish the value of the resume, but having reviewed thousands of resumes, most only need minor revisions. Yet candidates place so much emphasis on resumes, they neglect other job securing actions and strategies. Why is this and why do I suggest that candidates reallocate the time and energy spent on the resume to other search related activities that provide a greater payoff?

Use Job Search Time Wisely

As an analogy, when we were an agricultural society, we focused our attention on growing food. Growing food had a direct and immediate impact on our survival and putting “food on the table.” Through advancements in technology and education, we no longer concern ourselves directly with farming. We have an abundance of food in this country. Producing resumes has gone through similar changes. We no longer use manual typewriters and whiteout.

In fact, we have more resume developing resources, than we can use. We have professionals who can write our resumes for us. We have software programs to help create resumes and we have job boards on the Internet with countless resumes that we can use as examples. As job seekers, our computers have allowed us to easily

edit, reformat, and cut and paste our individual resumes so much over the last 10 years, that by now we should be bored with the document and the process. Again, the resume is focal to the job search, but does not justify the time, effort and anxiety it creates. It is time to move to the next level.

Let's Move to the Next Level

However, since candidates are almost conditioned to ask for suggestions on their resumes, one final word. When I give advice to candidates on resumes, I point out that my advice is "one man's opinion." This is important because I don't believe there is a perfect resume. I believe each individual must secure feedback from knowledgeable and trusted friends and professionals; then the candidate must decide how their resume should look.

For example, a common question I get is "should my resume be chronological or functional?" My personal preference is chronological from most recent employment back to graduation date. I want to see the entire history without gaps. When I see gaps or dates missing, this raises a red flag for me, which may be avoided, if I can see the entire employment and education experience. To further support my personal preference, over 98 percent of the resumes I receive are chronological. I know some recruiters might recommend, under certain circumstances, a functional resume, but I see no advantage. My feedback enables candidates to compare their approach with other sources and they can decide what they believe is best for them.

If Not the Resume, Then What?

Well, if it is not about the resume, then what is it about? It's about freeing yourself from the shackles of the resume and becoming aggressive in your search. Leave the security and comfort of working with the familiar resume that you can touch and feel and begin to expand your relationships. I prefer the word relationships to networking. Relationships are at the core of society. We all have experiences, some positive, some negative, but relationship building requires a genuine interest and commitment to another person.

Networking has the same two components. But, networking is usually initiated primarily because of your interest in the other person knowing you and making a commitment to be your advocate. Without a relationship of mutual interest and commitment, these relationships will fail and often result in bitter feelings. Without genuine interest, one party may feel used, and without commitment, the other party may feel a lack of effort from the other person.

Build Relationships

Relationship building, on the other hand, will not only enrich your pocketbook, but will also enrich your life. The only requirement for relationship building is having a genuine interest in getting to know another individual. If you have been unsuccessfully networking, try to meet some new friends. Since relationship building is a more natural means of knowing another person, don't expect every relationship to provide the same level of intimacy or commitment. Let the relationship develop due to mutual interest and commitment. We all need relationships across the full spectrum and some will grow and some will diminish.

Be Creative About Personal Growth

Be creative! I am not talking about being creative specifically in your job search, but in your personal growth. Studies show that the older we get, the less creative we feel. We think, as we age, that the natural course of our lives is to become less spontaneous and more inflexible. We now know that, while this may be the norm, we are not genetically predisposed to be less creative, we just act that way. Stop acting that way and do something that you would really enjoy. Regardless of your talents or training just try it.

Most great talents are not born, but dig into their creative soul and become passionate and practice. While some even believe Leonardo Da Vinci had divine inspiration and creative talents, his life is a story of discovery and experience. He learned how to become a great artist and thinker and this opened up opportunities that were offshoots of his original creative efforts. He never took yes for an answer. A job search requires mental and emotional clarity and energy. Make time to do something creative. You don't have to share it with anybody else, but do something creative for yourself. This will energize your job search

More Tips for a Successful Job Search

Don't underestimate appearance. A professional appearance is comparable to values, and regardless of your personal opinion, somewhere in the hiring process, appearance may become the deciding factor. I am not talking about wearing jeans to an interview. Most candidates believe they have a professional appearance and equate ability with job experience and academic success. Based on that definition, they feel they are the best-qualified candidates. This can sometimes be a sensitive area for candidates, but don't be naïve or in denial that appearance doesn't count.

Appearance Matters

Many books are available about dressing for success, but I have two important points to make. First, if you want to be a professional, look like a professional. I learned this in my first year of high school from my baseball coach. On our very first day of practice, we were all eager to begin hitting and throwing the baseball. Most of us had been playing organized baseball since we were eight years old. But on our first day of high school practice, we spent the entire time learning the finer points of wearing the baseball uniform.

At the time, I thought it was a waste of time, but over the years, I continue to hear the coach saying, "If you are going to be a professional, then you must look like a professional." Our dress set the tone for who we were and we took pride in our appearance. That pride carried over to the baseball field and we consistently won championships and sent many players to college on athletic scholarships and on to professional baseball. A second point of interest was that while we did not have the latest style uniforms in the state, because of the way we wore them, they appeared to be of much higher quality.

Look Like a Professional

The second point concerns how you determine what is professional dress. It's easy, just look at successful people. Don't be misled by a few successful mavericks who dress counter to mainstream successful businessmen and women. Recently, a friend of mine told me a story which highlights that people are not only looking at your appearance, they are aware of how successful people dress and groom themselves.

During an office visit for an EKG, my friend struck up a casual conversation with the nurse and found out she was a single mom with several children. She was particularly proud of her oldest son who was doing exceptionally well in school. She shared her hopes for him to go to college and then to become a successful businessman. This doctor's office was in an affluent area and she had come into contact with a number of successful business people.

When she pulled my friend's trouser leg up to attach the electrodes, she commented that he was wearing over-the-calf socks. She said she keeps telling her son he is to wear over-the-calf socks, because successful businessmen do. This was a woman who understood and passed on to her son things she noticed about successful people. You should be doing the same thing for yourself as you meet and talk with successful people.

Concluding Thought

While conducting your job search, use this time to also consider starting your own business. Take inventory of your talents and the experience you have gained over the years running your own business unit within a company. Can you replicate that as your own small business? Can you take that experience and tailor it to an existing market trend that fits well with your talents? If you have a unique specialty, employers may want to contract for your services. This could enable you to grow your consulting position into a small vendor to support your existing and other clients. With the job market very tight, you may find less competition opening your own business than securing employment with a company.

Top Ten Questions in Management

1) How to Deal With a Negative Coworker: Negativity Matters

Some people exude negativity. They don't like their jobs or they don't like their company. Their bosses are always jerks and they are always treated unfairly. The company is always going down the tube and customers are worthless. You know these negative Neds and Nellies – every organization has some – and you can best address their impact on you via avoidance.

2) How to Implement Strategic Planning: Vision Statement, Mission Statement, Values

In an earlier article, I gave you a strategic planning framework, samples, and examples for creating your organization's mission statement, vision statement, and more. As a result of the strategic planning article, people ask: now that I know what all of this strategic planning should look like, how do I actually make strategic planning happen in my organization? This strategic planning question strikes at the heart of how to make change of any kind happen in your organization. Find out how.

3) When Management Systems Fail: Why Employees Don't Do What You Want Them to Do

Managers perennially ask why employees don't do what they are supposed to do. While part of the responsibility falls on choices individual employees make, managers need to shoulder part of the blame, too. Employees want to succeed at work. I don't know a single person who gets up in the morning and says, "I think I'll go to work to fail today." Many of the reasons employee responsibility fails is due to a failure in the employee management systems.

4) How Do You Know When It's Time for You to Go?

Are you feeling increasingly unhappy about your job? Do you find yourself day dreaming about other things you could be doing with the time you spend at work? Do you dread the thought of Monday mornings? Then it may be time for you to quit your job. Take a look.

5) Personal Courage and Conflict Resolution at Work

Practicing personal courage is necessary if you want to really resolve conflicts at work. Many people are afraid of conflict resolution. They feel threatened by conflict resolution because they may not get what they want if the other party gets what they want. Even in the best circumstances, conflict resolution is uncomfortable because people are usually unskilled.

6) Workplace Conflict Resolution: Managing Your Human Resources

As an organization leader, manager or supervisor, you are responsible for creating a work environment that enables people to thrive. If turf wars, conflicts, disagreements and differences of opinion escalate into interpersonal conflict, you must intervene

immediately. Conflict resolution, with you as mediator, is essential. Conflict resolution is an immediate priority for your organization.

7) Achieve Your Dreams: Six Steps: Accomplish Your Goals and Resolutions

Don't let your goals and resolutions fall by the wayside. Chances are that to achieve your dreams and live a life you love, those goals and resolutions are crucial. Goal setting and goal achievement are easier if you follow these six steps for effective and successful goal setting and resolution accomplishment.

8) Rise Above the Fray: Options for Dealing With Difficult People at Work

Difficult people do exist at work. Difficult people come in every variety and no workplace is without them. How difficult a person is for you to deal with depends on your self-esteem, your self-confidence and your professional courage. Dealing with difficult people is easier when the person is just generally obnoxious or when the behavior affects more than one person. Dealing with difficult people is much tougher when they are attacking you or undermining your professional contribution.

9) Bad to the Bone: Dealing With a Bad Boss or Bad Managers

You're weary. You're frustrated. You're unhappy. You're demotivated. Your interaction with your boss leaves you cold. He's a bully, intrusive, controlling, picky and petty. He takes credit for your work, never provides positive feedback and misses each meeting he schedules with you. He's a bad boss, bad to the bone. Dealing with less than effective managers, or just plain bad managers and bad bosses, is a challenge too many employees face. These ideas will help you deal with your bad boss.

10) Twelve Tips for Team Building

People in every workplace talk about building the team, working as a team, and my team, but few understand how to create the experience of team work or how to develop an effective team. Here are twelve tips for building successful work teams.

How to Deal With a Negative Coworker: Negativity Matters

Some people exude negativity. They don't like their jobs or they don't like their company. Their bosses are always jerks and they are always treated unfairly. The company is always going down the tube and customers are worthless. You know these negative Neds and Nellies – every organization has some – and you can best address their impact on you via avoidance.

On the other hand, sometimes normally positive people are negative. Some of the time, too, their reasons for negativity are legitimate. You will take a completely different tack with these occasionally negative people. We'll deal with both of these varieties of negativity from people.

Tips for Dealing with Occasional Negativity

- **Listen to the employee or coworker's complaints** until you are certain that they feel heard out and listened to.

Sometimes people repeat negative sentiments over and over because they don't feel like you have really listened to them. Ask questions. Clarify their statements. Make sure you have actively listened.

- Decide if you believe the employee or coworker has **legitimate reasons for their negativity**. If you decide affirmatively, **ask if they'd like your help** to solve the problem. If they ask for help, provide advice or ideas for how the coworker can address the reason for their negativity.

Short term advice that points a person in a positive direction is welcome. But, your role is not to provide therapy or counseling. Nor, is your role to provide comprehensive career advice or long term recommendations. Point the coworker to helpful books, seminars, or the Human Resources Department to solve their problem. Know your limits when advising coworkers.

- Sometimes, **the coworker just wants to complain** to a friendly, listening ear; they don't want your advice or assistance to address the situation. Listen, but set limits so the coworker does not overstay or over-talk his or her welcome. Long term complaining saps your energy and positive outlook. Don't allow that to happen. Walk away. Tell the coworker you'd prefer to move on to more positive subjects.
- If you listen to the coworker's negativity, and decide the concerns are not legitimate, practice personal courage and tell them what you think. Tell the coworker you care about their concern and about their happiness at work, but you disagree with their assessment of the situation.

Back gracefully out of additional conversations. The coworker will attempt to appeal to your sympathetic nature, but if you believe the negativity is unwarranted, don't spend your time listening or helping the coworker to address the negative feelings. You will only encourage long term and growing negative feelings and, potentially, behavior. You will set yourself up as a negativity magnet. Constant negative interactions will eventually permeate your interaction with your workplace.

Tips for Dealing with Negative Coworkers

Deal with genuinely negative people by spending as little time with them as possible. Just as you set limits with the coworkers whose negativity you believe is baseless or unwarranted, you need to set limits with genuinely negative people.

Causes of their long term negativity are not your concern. Every negative person has a story. Don't impact your positive outlook by listening to the stories, or reviewing the history and the background about the grievances purported to cause the negativity. You reinforce the negativity; negativity is a choice. Negativity mongers need a new job, a new company, a new career, a new outlook, or counseling. They don't need you.

Deal with negative coworkers in these ways.

- Avoid spending time with a negative coworker.
- If you are forced, through your role in the company, to work with a negative person, set limits. Do not allow yourself to be drawn into negative discussions. Tell the negative coworker, you prefer to think about your job positively. Avoid providing a sympathetic audience for the negativity.
- Suggest the negative person seek assistance from human resources or their supervisor.
- If all else fails, talk to your own supervisor or human resources staff about the challenges you are experiencing in dealing with the negative person. Your supervisor may have ideas, may be willing to address the negativity, and may address the issue with the negative person's supervisor. Persistent negativity, that impacts coworkers' work is a work behavior that may require disciplinary action.
- If negativity among employees in your company is persistent, if the issues that warrant negativity are left unaddressed, and the negativity affects your ability to professionally perform your work, you may want to consider moving on. Your current culture will not support your desired work environment. And, if no one is working to improve a work culture that enables negativity, don't expect the culture to change any time soon.

How to Implement Strategic Planning: Vision Statement, Mission Statement, Values

Develop a Strategic Culture

In an earlier, popular article, I gave you a strategic planning framework, samples, and examples for creating your organization's mission statement, vision statement, values, and goals. The most important question I encounter, as a result of the strategic planning article, is: now that I know what all of this should look like, how do I actually make strategic planning happen in my organization?

The strategic planning how-to question strikes at the heart of how to make change of any kind happen in your organization. Start by answering why your organization might want to embark on a strategic planning process. Want to be one of the organizations, in which employees understand the mission and goals? They enjoy a 29 percent greater return than other firms.

This seems like a good reason to start strategic planning to me. How about you?

Keys to Strategic Planning Success

These are the keys to effective strategic planning for your business.

- Full and active executive support,
- Effective communication,
- Employee involvement,
- Thorough organizational planning and competitive analysis, and
- Widespread perceived need for the strategic planning.

If you are implementing your strategic planning in an organizational environment that is already employee-oriented, with a high level of trust, you start the strategic planning process with a huge plus. An additional plus is an organization that already thinks strategically.

Unfortunately, the implementation of strategic planning most frequently occurs as an organization moves from being traditionally reactionary to strategic. So, often, learning to think strategically is part of the strategic planning learning curve.

Full and Active Executive Support for Successful Strategic Planning

Successful strategic planning requires a large commitment from executives and senior managers, whether the strategic planning is occurring in a department or in a complete organization. Executives must lead, support, follow-up, and live the results of the strategic planning process. Or, the strategic planning process will fail. It's as simple as that.

Without the full commitment of the organization's senior executives, don't even start strategic planning. Participants will feel fooled and misled. A vision statement and a mission statement, along with this year's goals, filed, unimplemented in a cabinet or computer, is a serious source of negativity and poor employee morale.

Senior leaders can do the following to create a successful strategic planning process.

- Establish a clear vision for the strategic planning process. Paint a picture of where the organization will end up and the anticipated outcomes. Make certain the picture is one of reality and not what people "wish" would occur. Make sure key employees know "why" the organization is changing.
- Appoint an executive champion or leader who "owns" the strategic planning process and makes certain other senior managers, as well as other appropriate people in the organization, are involved.
- Pay attention to the planning occurring. Ask how things are going. Focus on progress and barriers for change management. One of the worst possible scenarios is to have the leaders ignore the process.
- Sponsor portions of the planning or the strategic planning process, as an involved participant, to increase active involvement and interaction with other organization members.
- If personal or managerial actions or behaviors require change for the vision statement, mission statement, values, and goals to take hold in the organization, "model" the new behaviors and actions.
- Establish a structure which will support the move to a more strategically thinking and acting organization. This may take the form of a Steering Committee, Leadership Group, Core Planning Team or Guiding Coalition.
- Change the measurement systems, reward, and recognition systems to measure and reward the accomplishment of the new expectations established through the strategic planning process.
- Develop a within your to communicate, reinforce, and provide a structure that supports the articulation and accomplishment of the strategic planning goals.
- While every person in your organization cannot make their voice heard on every issue within the strategic planning, you must solicit and act upon feedback from other members of the organization. Integral in the strategic planning process must be the commitment of each executive to discuss the process and the plans with staff members. Too often, I have experienced executives holding information closely and consolidating their own dysfunctional power within the organization at the expense of other company employees feeling – and acting – excluded. (And then they ask: how can I get my staff to "buy-in" to these new expectations?)

- Recognize the human element inherent in any change – the change from reactionary to strategic thinking is a huge leap. People have different needs and different ways of reacting to change. They need .
- If training is part of the strategic plan, senior leaders must participate in the training that other organization members attend, but, even more importantly, they must exhibit their “learning” from the sessions, readings, interactions, tapes, books or research.
- Lastly, and of immense significance, be honest and worthy of trust.

Throughout the strategic planning process, treat people with the same respect you expect from them. And you will enjoy the 29 percent greater return than non-strategic planning companies, predicted earlier. With your vision statement, mission statement, values, strategies, goals, and action plans developed and shared, you'll all win, both personally and professionally.

Strategy and Vision Statements

Both people and organizations need to establish a strategic framework for significant success. This framework consists of:

- a vision for your future,
- a mission that defines what you are doing,
- values that shape your actions,
- strategies that zero in on your key success approaches, and
- goals and action plans to guide your daily, weekly and monthly actions.

Your organization's success and your personal success depend on how well you define and live by each of these important concepts. In fact, according to information at the Workplace Toolbox website:

- Companies whose employees understand the mission and goals enjoy a 29 percent greater return than other firms (Watson Wyatt Work Study).
- U.S.

workers want their work to make a difference, but 75% do not think their company's mission statement has become the way they do business (Workplace 2000 Employee Insight Survey).

Read more to find out how to develop a successful strategic framework for your organization and yourself.

Vision Statement

A vision is a statement about what your organization wants to become. It should resonate with all members of the organization and help them feel proud, excited, and part of

something much bigger than themselves. A vision should stretch the organization's capabilities and image of itself. It gives shape and direction to the organization's future. Visions range in length from a couple of words to several pages. I recommend shorter vision statements because people will tend to remember their shorter organizational vision.

Vision Statement Samples

"Year after year, Westin and its people will be regarded as the best and most sought after hotel and resort management group in North America." (Westin Hotels)

"To be recognized and respected as one of the premier associations of HR Professionals." (HR Association of Greater Detroit)

Mission Statement

Mission or Purpose is a precise description of what an organization does. It should describe the business the organization is in. It is a definition of "why" the organization exists currently. Each member of an organization should be able to verbally express this mission.

Additionally, each person needs a mission for his or her life. The alignment of your life mission with your organization's mission is one of the key factors in whether you are happy with your work and workplace. If they are incongruent, you are likely dissatisfied with your work choice.

Mission Statement Samples

"Our goal is simply stated. We want to be the best service organization in the world." (IBM)

"FedEx is committed to our People-Service-Profit Philosophy.

We will produce outstanding financial returns by providing totally reliable, competitively superior, global, air-ground transportation of high-priority goods and documents that require rapid, time-certain delivery." (Federal Express)

"To give ordinary folk the chance to buy the same thing as rich people." (Wal-Mart)

"Our mission is to earn the loyalty of Saturn owners and grow our family by developing and marketing U.S.-manufactured vehicles that are world leaders in quality, cost, and customer enthusiasm through the integration of people, technology, and business systems." (Saturn)

"In order to realize our Vision, our Mission must be to exceed the expectations of our customers, whom we define as guests, partners, and fellow employees.(mission) We will

accomplish this by committing to our shared values and by achieving the highest levels of customer satisfaction, with extraordinary emphasis on the creation of value. (strategy) In this way we will ensure that our profit, quality and growth goals are met." (Westin Hotels and Resorts)

Core Values

Values are traits or qualities that are considered worthwhile; they represent an individual's highest priorities and deeply held driving forces. (Values are also known as core values and as governing values; they all refer to the same sentiment.)

Value statements are grounded in values and define how people want to behave with each other in the organization. They are statements about how the organization will value customers, suppliers, and the internal community. Value statements describe actions which are the living enactment of the fundamental values held by most individuals within the organization.

The values of each of the individuals in your workplace, along with their experience, upbringing, and so on, meld together to form your corporate culture. The values of your senior leaders are especially important in the development of your culture.

These leaders have a lot of power in your organization to set the course and environment and they have selected the staff for your workplace.

If you think about your own life, your values form the cornerstones for all you do and accomplish. They define where you spend your time, if you are truly living your values. Each of you makes choices in life according to your most important four – ten values. Why not take the time to identify what is most important to you and to your organization.

Why Identify and Establish Values?

Effective organizations identify and develop a clear, concise and shared meaning of values/beliefs, priorities, and direction so that everyone understands and can contribute. Once defined, values impact every aspect of your organization. You must support and nurture this impact or identifying values will have been a wasted exercise. People will feel fooled and misled unless they see the impact of the exercise within your organization. If you want the values you identify to have an impact, the following must occur.

- People demonstrate and model their values in action in their personal work behaviors, decision making, contribution, and interpersonal interaction.
- Organizational values help each person establish priorities in their daily work life.
- Values guide every decision that is made once the organization has cooperatively created the values and the value statements.
- Rewards and recognition within the organization are structured to recognize those people whose work embodies the values the organization embraced.

- Organizational goals are grounded in the identified values. Adoption of the values and the behaviors that result is recognized in regular performance feedback.
- People hire and promote individuals whose outlook and actions are congruent with the values.
- Only the active participation of all members of the organization will ensure a truly organization-wide, value-based, shared culture.

The following are examples of values: ambition, competency, individuality, equality, integrity, service, responsibility, accuracy, respect, dedication, diversity, improvement, enjoyment/fun, loyalty, credibility, honesty, innovativeness, teamwork, excellence, accountability, empowerment, quality, efficiency, dignity, collaboration, stewardship, empathy, accomplishment, courage, wisdom, independence, security, challenge, influence, learning, compassion, friendliness, discipline/order, generosity, persistence, optimism, dependability, flexibility.

Although important aspects of your life and attention, these are not values: family, church, professionalism. If you define what you value about each of these, you are identifying the core value. As an example, the core value in family might be close relationships; in church, spirituality.

Use this additional list of values as a thought-starter for your values identification process. Read the two articles in the sidebar to this article are also useful in identifying values and making them live in your organization and life.

Value Statement Samples

Want to see samples of values and value statements? These give you an idea of the depth and breadth in which organizations write their values. Search online for values and value statements and you'll find some that stretch to several pages, too.

"To preserve and improve human life." (Merck)

At Merck, "corporate conduct is inseparable from the conduct of individual employees in the performance of their work. Every Merck employee is responsible for adhering to business practices that are in accordance with the letter and spirit of the applicable laws and with ethical principles that reflect the highest standards of corporate and individual behavior...

"At Merck, we are committed to the highest standards of ethics and integrity.

We are responsible to our customers, to Merck employees and their families, to the environments we inhabit, and to the societies we serve worldwide. In discharging our responsibilities, we do not take professional or ethical shortcuts. Our interactions with all segments of society must reflect the high standards we profess." (Read more: (Merck)

Patriot Ledger (SouthofBoston.com): "We have a total commitment to these values, shaping the way we do business for our employees, our customers and our company.

"Our Employees

- Our employees are the most valued assets of our company, essential participants with a shared responsibility in fulfilling our mission.
- We recognize that the quality, motivation and performance of our employees are the key factors in achieving our success.

"Accordingly, our Human Resources policies and practices are built on:

- Dedication to assisting every employee in reaching his or her full potential in both performance and reward.
- Commitment to diversity, equal opportunity and fair treatment.
- Promotion based on merit, and from within whenever possible.
- We want our organizational structure and culture to promote employee involvement, open communication, teamwork and cooperation."

Strategies, Goals and Action Plans

Strategies are the broadly defined four or five key approaches the organization will use to accomplish its mission and drive toward the vision. Goals and action plans usually flow from each strategy. One example of a strategy is employee empowerment and teams. Another is to pursue a new worldwide market in Asia. Another is to streamline your current distribution system using lean management principles.

A university Human Resources Development department established several broad strategies for growth. These included becoming the training and education resource of choice for all employees by offering one-stop access to any and all existing education and training resources. Additionally, they determined key strategies for expanding their funding base and moving courses online for customer convenience.

A Human Resources department devised strategies to develop a superior workforce.

These included eliminating poor performers; hiring from several choices of excellent candidates, not just "settling" on a candidate; developing succession planning; and increasing training and cross-training opportunities.

Sample Strategies

"The Human Resource Association of Greater Detroit's (HRAGD) efforts to advance its mission will include: The promotion of voluntary member interchange, observance of ethical and professional standards, the conduct of meetings and workshops on relevant

human resources topics and issues, communication of our purpose and activities to the broader business community, cooperation with the Society for Human Resources Management (SHRM), as well as, other SHRM professional and student chapters and related Human Resources organizations and the community involvement of our membership. The Association regularly publishes newsletters throughout the year which cover items such as monthly meeting highlights, future programs, Executive Board announcements, SHRM and legislative updates and general human resources news. In addition, a Membership Directory and member skills listing are published."

The San Antonio Express News developed these strategies.

- "EXPAND our customer base and enhance the franchise by pursuing multimedia opportunities.
- DELIVER an award-winning level of journalistic excellence, building public interest, trust and pride.
- PROVIDE vigorous community leadership and support.
- INSTILL an environment of internal and external excellence in customer service.
- EMPOWER and recognize each employee's unique contribution.
- ACHIEVE the highest standards of quality.
- IMPROVE financial strength and profitability."

Goals and Action Plans

After you have developed the key strategies, turn your attention to developing several goals that will enable you to accomplish each of your strategies. Goals should be SMART: specific, measurable, achievable, realistic and time-based.

In the example above, the HRAGD group might consider setting one goal to hold a monthly chapter meeting. Another goal that supports their strategies is to schedule a relevant seminar or workshop quarterly. Another goal might include holding informal dinners and cocktail hours to support voluntary member exchange.

Once you have enabled the accomplishment of your strategies through setting SMART goals, you will want to develop action plans that will help you accomplish each goal. Continuing with HRAGD as the example, to offer a quarterly seminar, you will need to follow an action plan:

- Establish a cross section of professionals as a committee and meet to plan the sessions.
- Determine budget.
- Perform HRAGD member needs assessment.
- Select topics based on member needs assessment.
- Locate exceptional speakers.
- Pick speaker and negotiate workshop length, pay, topic and objectives.
- Determine location and schedule the seminar.
- Plan advertising strategies, and so forth.

Make action plans as detailed as you need them to be and integrate the individual steps into your planning system. An effective planning system, whether it uses a personal computer, a paper and pen system, a handheld computer or a Palm, will keep your goals and action plans on track and on target.

All of the Strategic Planning Resources on this site.

Want to be one of the organizations, whose employees understand the mission and goals, that enjoy a 29 percent greater return than other firms? Involve as many people as you can in charting the road map I've shared with you for developing a strategic framework for your business. And you will enjoy the greater return. With your vision, mission, values, strategies, goals and action plans developed and shared, you'll all win, both personally and professionally.

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When Management Systems Fail: Why Employees Don't Do What You Want Them to Do

Five Critical Management Systems

Managers perennially ask why employees don't do what they are supposed to do. While part of the responsibility falls on choices individual employees make, managers need to shoulder part of the blame, too. Employees want to succeed at work. I don't know a single person who gets up in the morning and says, "I think I'll go to work to fail today." Many of the reasons employee responsibility fails are due to a failure in the employee management systems.

To ask the traditional Dr. W. Edwards Deming (the father of the U.S quality movement) question, "What about the work system is causing the employee to fail?" An examination of the work systems yields important answers.

Why Don't Employees Do What You Want Them to Do?

Consultant and writer, Ferdinand Fournies, in his landmark book, *Why Employees Don't Do What They're Supposed to Do and What to Do About It*, says **that one reason is that employees don't know what they are supposed to do**. Managers play the essential role in helping employees know what they are supposed to do.

Managers do this by creating effective management systems.

They help employees by developing and using these five critical management systems.

Management Systems: Goal Setting and Employee Involvement

You'll want to design your employee management system of goal setting and employee involvement to enable employees to succeed.

- Help to establish overall goals for your department and work unit. Take ownership of the goals that the company requires you to meet and the goals that you can subjectively set, in addition.
- Communicate the goals of the work unit or enable employees to participate in setting the goals, to develop more employee ownership of the goals.
- Involve employees in determining how they will go about achieving the goals.
- Help employees know what to measure and how to measure so that they can see that they are making progress in meeting the goals.

Management Systems: Delegation

Delegate projects and other activities to help employees meet department goals by using effective management system delegation methods.

- Assist the employee to make an overall work plan with dates and a timeline for key deliverables for review.
- Share any preconceived pictures you may have of what you want the outcome or deliverables to look like.
- Establish the criteria for success.
- Meet with the employee at designated due dates to assess progress and road blocks encountered.

Management Systems: Performance Development Planning and Feedback

Use a performance development planning process to enable employees to understand the goals.

- Make an initial performance development plan with each employee.
- Meet, minimally, quarterly to review progress and set new goals, if necessary.
- Hold a weekly one-on-one meeting with each reporting staff person to stay in touch with progress and accomplishments.

Management Systems: Training, Education, and Development

Training plays a role in employees knowing what they are supposed to do. They need the skills and tools essential for them to succeed in their jobs.

- Keep commitments about employee developmental opportunities written in the performance development plan. (The ability to grow and develop their skills is crucial to employee motivation and success).
- Coach employee skill development daily and in their one-on-one, weekly meetings with you.

Management Systems: Recognition and Reward

Recognition is the most powerful form of employee feedback. Timely, appropriate recognition to an employee is feedback that reinforces actions you want to see more of from the employee.

- Provide recognition that is timely, and that reinforces employee learning and goal accomplishment.
- Recognize employees for doing what you want them to do.

In a mid-sized company, semi-annual employee satisfaction surveys are conducted. The Culture and Communications team was not satisfied with the amount of specific information received in response to the question, "How does the company make you feel that it is genuinely interested in employee well-being?" The committee devised a second questionnaire and discovered that the number one factor that affected whether employees

felt genuinely cared about by the company, was positive, personal interaction time with their supervisor. Pretty powerful.

Do you have these management systems in place? Are employees still acting as if they don't know what you want them to do?

Signs that your employees don't know what you want them to do include assignments that are not completed on time; procrastination on projects; errors and mistakes; a focus on non-essential, busy work; unsatisfactory output and outcomes; unwillingness to ask for help; and failure to provide you with timely feedback. If you see these signs, then reinforce the described five management systems in response.

These employees are not stupid; they are not uncaring; they are not unmotivated. They just don't know what you want them to do.

Personal Courage and Conflict Resolution at Work

Why People Avoid Conflict Resolution

Practicing personal courage is necessary if you want to really resolve conflicts at work. It is much easier and much safer to ignore the necessary conflict and play ostrich.

Unfortunately, unresolved conflict tends to escalate. It never really disappears because it simmers just below the surface. Think of water that is coming to a boil. It burbles up in the pot sporadically and then finally reaches the boiling temperature. At that point, a full blown rolling, constant boiling is seen on the surface of the water.

Conflict behaves similarly. The water may seem calm, but every once in awhile, usually at the worst possible times, the conflict burbles up to the surface once again. Unresolved conflict does not go away; unresolved conflict can turn into a full boil at any time.

Many people are afraid of conflict resolution.

They feel threatened by conflict resolution because they may not get what they want if the other party gets what they want. Even in the best circumstances, conflict resolution is uncomfortable because people are usually unskilled at conflict resolution. Finally, people can get hurt in a conflict and, at work, they are still expected to work together effectively every day.

The Benefits of Conflict Resolution

This century's workplace makes conflict resolution more important, but also, more difficult. Team or work cell environments create more conflict as people with different opinions must choose to work together, often in close quarters.

Empowering work environments, in which the traditional reliance on a manager to solve conflicts and make decisions, bring coworkers into more frequent conflict, as they must work issues out for themselves. Conflict resolution also:

- Causes people to listen to and consider different ideas.
- Enables people to increase their alternatives and potential paths.
- Results in increased participation and more ownership of and commitment to the decisions and goals of the group or person.

The goal of the people or the team is not to eliminate conflict but to learn how to manage conflict constructively.

These conflict resolution steps will help you reach this goal.

Conflict Resolution Steps

You've decided resolving the conflict is more important than all of the reasons why people avoid conflict. Here are tips to help you practice less scary, less intimidating, more effective and successful conflict resolution, with an individual or a team.

- Create an environment that is conducive to successful conflict resolution. Quiet, private settings work the best. Agree prior to sitting down together that the purpose of the meeting is to resolve the conflict. When you make this agreement, all parties arrive prepared.
- Determine what outcomes you'd like to see as a result of the discussion. A better working relationship? A better solution to the problem? Increased alternatives for successful projects? A broadened understanding of each person's needs and wants? Thoughtful solutions and outcomes are infinite if you are creative.
- Begin by allowing each party to express their point of view.

The purpose of the exchange is to make sure both parties clearly understand the viewpoint of the other. Make sure each party ties their opinions to real performance data and other facts, where possible. This is not the time to discuss; it is the time to ask questions, clarify points for better understanding and truly hear the other's viewpoint.

- Agree on the difference in the points of view. You must agree on the problem together to begin to search for a solution. Often problems are simply misunderstandings. Clarification can end the need for conflict resolution. Try to focus on the issues, not the personalities of the participants. Don't "you" each other as in, "You always ..."
- Explore and discuss potential solutions and alternatives. Try to focus on both your individual needs and wants and those of the other party. After all, if one party "wins," that means the other party "loses." People who feel as if they have lost, are not effective coworkers. They harbor resentment and may even sabotage your project or relationship. Make sure you discuss the positive and negative possibilities of each suggestion, before you reject any suggested solutions. Build a discussion that is positive and powerful for all parties.
- Agree on a plan that meets the needs of all parties and the organization. Agree on followup steps, as necessary, to make the plan work. Agree on what each person will do to solve the conflict. Set clear goals and know how you will measure success.
- Do what you agreed to do.

With more experience in conflict resolution, you will grow more comfortable with conflict resolution. That's a positive outcome for the workplace. It will foster idea generation, help people get along, minimize negative behaviors and promote the success of all in placing their attention where it belongs - on the customer.

Workplace Conflict Resolution: People Management Tips

Managing Your Human Resources

Organization leaders are responsible for creating a work environment that enables people to thrive. If turf wars, disagreements and differences of opinion escalate into interpersonal conflict, you must intervene immediately. Not intervening is not an option if you value your organization and your positive culture. In conflict-ridden situations, your mediation skill and interventions are critical.

Actions to Avoid in Conflict Resolution

- **Do not avoid the conflict, hoping it will go away.** Trust me. It won't. Even if the conflict appears to have been superficially put to rest, it will rear its ugly head whenever stress increases or a new disagreement occurs. An unresolved conflict or interpersonal disagreement festers just under the surface in your work environment.

It bubbles to the surface whenever enabled, and always at the worst possible moment. This, too, shall pass, is not an option – ever.

- **Do not meet separately with people in conflict.** If you allow each individual to tell their story to you, you risk polarizing their positions. The person in conflict has a vested interest in making himself or herself “right” if you place yourself in the position of judge and jury. The sole goal of the employee, in this situation, is to convince you of the merits of their case.
- **Do not believe, for even a moment, the only people who are affected by the conflict are the participants.** Everyone in your office and every employee with whom the conflicting employees interact, is affected by the stress. People feel as if they are walking on egg shells in the presence of the antagonists. This contributes to the creation of a hostile work environment for other employees. In worst case scenarios, your organization members take sides and your organization is divided.

Interested in what to do to resolve the conflict? These are the steps for conflict resolution mediation.

Managing Your Human Resources

How to Mediate and Resolve Conflict

- **Meet with the antagonists together.** Let each briefly summarize their point of view, without comment or interruption by the other party. This should be a short discussion so that all parties are clear about the disagreement and conflicting views. Intervene if either employee attacks the other employee. This is not acceptable.

- **Ask each participant to describe specific actions they'd like to see the other party take** that would resolve the differences. Three or four suggestions work well. An example is, "I'd like Mary to send the report to me by Thursday at 1 p.m. so I can complete my assignment by my due date of Friday at noon." A second example is, "I would like to have responsibility for all of the business development and follow-up with that client."

The way the work is divided now causes Tom and I to never know what the other person is doing."

- Sometimes, as in the second example above, **you, as the supervisor, must own some of the responsibilities** for helping the employees resolve their conflict. Always ask, "What about the work situation is causing these staff members to fail?"
- **If the situation needs further exploration**, use a process I've adapted from Stephen Covey in which you ask each participant to additionally identify what the other employee can do more of, less of, stop and start.
- **All participants discuss and commit** to making the changes necessary to resolve the conflict. Commit to noticing that the other person has made a change, no matter how small. Commit to treating each other with dignity and respect. It is okay to have reasonable disagreements over issues and plans; it is never okay to have personality conflicts that affect the workplace.
- Let the antagonists know that you will not choose sides, that it is impossible for a person external to the conflict to know the truth of the matter. **You expect the individuals to resolve the conflicts proactively as adults.** If they are unwilling to do so, you will be forced to take disciplinary action that can lead to dismissal for both parties.
- Finally, **assure both parties that you have every faith in their ability to resolve their differences** and get on with their successful contributions within your shared organization. Set a time to review progress.

Mediating a conflict is challenging, but as a manager or supervisor, the role of mediator comes with your territory. Your willingness to appropriately intervene sets the stage for your own success. You craft a work environment that enables the success of the people who work there. I believe you can learn to do it. Conflict mediation is an example of "practice makes perfect."

Achieve Your Dreams: Six Steps to Accomplish Your Goals and Resolutions

Don't let your goals and resolutions fall by the wayside. Chances are that to achieve your dreams and live a life you love, those goals and resolutions are crucial. Goal setting and goal achievement are easier if you follow these six steps for effective and successful goal setting and resolution accomplishment.

- **You need to deeply desire the goal or resolution.** Napoleon Hill, in his landmark book, *Think and Grow Rich*, had it right. "The starting point of all achievement is desire. Keep this constantly in mind. Weak desires bring weak results, just as a small amount of fire makes a small amount of heat." So, your first step in goal setting and achieving your dreams is that you've got to really, really want to achieve the goal.
- **Visualize yourself achieving the goal.** Lee Iacocca said, "The greatest discovery of my generation is that human beings can alter their lives by altering their attitudes of mind." What will your achievement feel like? How will your life unfold differently as a result? If the goal is a thing, some gurus of goal setting recommend that you keep a picture of the item where you see and are reminded of it every day.

If you can't picture yourself achieving the goal, chances are – you won't.

- **Make a plan for the path you need to follow to accomplish the goal.** Create action steps to follow. Identify a critical path. The critical path defines the key accomplishments along the way, the most important steps that must happen for the goal to become a reality. Stephen Covey said, "All things are created twice. There's a mental or first creation, and a physical or second creation of all things. You have to make sure that the blueprint, the first creation, is really what you want, that you've thought everything through. Then you put it into bricks and mortar. Each day you go to the construction shed and pull out the blueprint to get marching orders for the day. You begin with the end in mind." He's right.
- **Commit to achieving the goal by writing down the goal.** Lee Iacocca said, "The discipline of writing something down is the first step toward making it happen." I agree completely. Write down the plan, the action steps and the critical path. Somehow, writing down the goal, the plan and a timeline sets events in motion that may not have happened otherwise. In my own life, it is as if I am making a deeper commitment to goal accomplishment. I can't fool myself later. The written objective really was the goal.
- **Establish times for checking your progress in your calendar system,** whatever it is: a day planner, a PDA, a PDA phone or a hand written list. If you're not making progress or feel stymied, don't let your optimism keep you from accomplishing your goals. No matter how positively you are thinking, you need to assess your lack of progress. Adopt a pessimist's viewpoint; something will and probably is, going to go wrong. Take a look at all of the factors that are keeping you from accomplishing your

goal and develop a plan to overcome them. Add these plan steps to your calendar system as part of your goal achievement plan.

- **Review your overall progress regularly.** Make sure you are making progress. If you are not making progress, hire a coach, tap into the support of loved ones, analyze why the goal is not being met. Don't allow the goal to just fade away. Figure out what you need to do to accomplish it. Check the prior five steps starting with an assessment of how deeply you actually want to achieve the goal.

This six step goal setting and achieving system seems simple, but it is the most powerful system you will ever find for achieving your goals and living your resolutions. You just need to do it. Best wishes and good luck.

Rise Above the Fray: Options for Dealing With Difficult People at Work

Some People Are Difficult People

Difficult people do exist at work. Difficult people come in every variety and no workplace is without them. How difficult a person is for you to deal with depends on your self-esteem, your self-confidence and your professional courage. Dealing with difficult people is easier when the person is just generally obnoxious or when the behavior affects more than one person. Dealing with difficult people is much tougher when they are attacking you or undermining your professional contribution.

Difficult people come in every conceivable variety. Some talk constantly and never listen. Others must always have the last word. Some coworkers fail to keep commitments. Others criticize anything that they did not create. Difficult coworkers compete with you for power, privilege and the spotlight; some go way too far in courting the boss's positive opinion – to your diminishment.

Some coworkers attempt to undermine you and you constantly feel as if you need to watch your back.

Your boss plays favorites and the favored party lords it over you; people form cliques and leave you out. Difficult people and situations exist in every work place. They all have one thing in common. You must address them. No matter the type of difficult situation in which you find yourself, dealing with difficult people or situations is a must.

Why You Must Deal With Difficult People

Trust me. **Your situation won't get better; left unaddressed, it usually gets worse.** Unaddressed, necessary conflict simmers just below – and often erupts counterproductively above – the surface at work.

Initially, people go into shock when they are treated unprofessionally, so if you take some time to understand exactly what is happening to you, you are not alone. Once you are fully aware of what is happening, deciding to live with the situation long term is not an option. You become so angry and feel so much pain that your efforts to address the situation become irrational. **It's far better to address the difficult person while you can maintain some objectivity and emotional control.**

Constant complaining about the coworker or situation can quickly earn you the title of whiner or complainer. Managers wonder why you are unable to solve your own problems – even if the manager's tolerance or encouragement of the situation is part of the problem.

Worse Case Scenario If You Fail to Deal With Difficult People

Most importantly, if you are embroiled in a constant conflict at work, you may not only get blamed for being “unable to handle the situation like a mature professional,” you may be labeled as a “difficult” person, too. This label is hard to escape and can have devastating consequences for your career.

Finally, if the situation continues to deteriorate over time, the organization and your boss may tire of you. The boss may decide you are a “high maintenance” employee, easily replaced with a more professional or cooperative person, and you could lose your job.

Dealing With the Difficult Coworker

I’ve experienced workplaces in which all sorts of dysfunctional approaches to dealing with a difficult coworker have been tried. Putting an anonymous note in the person’s mailbox is not an option. Placing a can of deodorant on a hygiene-challenged coworker’s desk is not a productive option either. Confronting the bully publicly can often lead to disaster. Putting dead bugs in his desk drawer can leave your boss no option other than to fire you. So, let’s look at more productive ways to address your difficult coworker.

Are you convinced that in almost all cases you need to productively deal with your difficult coworker? Good. Then here are ten ways to approach dealing with difficult people.

Five Tips for Dealing With Difficult People

These are ten productive ways to deal with your difficult coworker. Let’s start with the first five.

- **Start out by examining yourself.** Are you sure that the other person is really the problem and that you’re not overreacting? Have you always experienced difficulty with the same type of person or actions? Does a pattern exist for you in your interaction with coworkers? Do you recognize that you have hot buttons that are easily pushed? (We all do, you know.) Always start with self-examination to determine that the object of your attention really is a difficult person’s actions.
- **Explore what you are experiencing with a trusted friend or colleague.** Brainstorm ways to address the situation. When you are the object of an attack, or your boss appears to support the dysfunctional actions of a coworker, it is often difficult to objectively assess your options.

Anger, pain, humiliation, fear and concern about making the situation worse are legitimate emotions.

Pay attention to the unspoken agreement you create when you solicit another's assistance. You are committing to act unless you agree actions will only hurt the situation. Otherwise, you risk becoming a whiner or complainer in the eyes of your colleague.

- **Approach the person with whom you are having the problem for a private discussion.** Talk to them about what you are experiencing in "I" messages. (Using "I" messages is a communication approach that focuses on your experience of the situation rather than on attacking or accusing the other person.) You can also explain to your coworker the impact of their actions on you.

Be pleasant and agreeable as you talk with the other person. They may not be aware of the impact of their words or actions on you. They may be learning about their impact on you for the first time. Or, they may have to consider and confront a pattern in their own interaction with people. Worst case? They may know their impact on you and deny it or try to explain it away. Unfortunately, some difficult people just don't care. During the discussion, attempt to reach agreement about positive and supportive actions going forward.

- **Follow up after the initial discussion.** Has the behavior changed? Gotten better? Or worse? Determine whether a follow-up discussion is needed. Determine whether a follow-up discussion will have any impact. Decide if you want to continue to confront the difficult person by yourself. Become a peacemaker. (Decide how badly you want to make peace with the other person and how much you want your current job. Determine whether you have experienced a pattern of support from your boss.) If you answer, "yes," to these questions, hold another discussion. If not, escalate and move to the next idea.
- **You can confront your difficult coworker's behavior publicly.** Deal with the person with gentle humor or slight sarcasm. Or, make an exaggerated physical gesture – no, not that one – such as a salute or place your hand over your heart to indicate a serious wounding.

You can also tell the difficult person that you'd like them to consider important history in their decision making or similar words expressed positively, depending on the subject. Direct confrontation does work well for some people in some situations. I don't think it works to ask the person to stop doing what they're doing, publicly, but you can employ more positive confrontational tactics. Their success for you will depend on your ability to pull them off. Each of us is not spur-of-the-moment funny, but if you are, you can use the humor well with difficult coworkers.

Want five more tips? Fleeing is definitely an option.

- **If you have done what you can do and employed the first five recommended approaches with little or no success, it's time to involve others.** Note that you are escalating the situation. Prepare to talk with your boss. Take notes and address the issues, not as interpersonal problems, but as issues affecting your productivity, the work and your progress on projects. Tell your boss exactly what the difficult person does.

Make a plan to address the issues. Perhaps involve your coworker's boss. Recognize that a good boss is likely to bring your difficult coworker and his supervisor into a three or four-way discussion at this point. Expect to participate in follow-up over time.

- **Rally the other employees who might have an issue with the difficult person, too - carefully.** Sometimes, a group approach convinces the boss that the impact of the behavior is wider and deeper than she had originally determined.

Be careful with this approach, however. Know what works with your boss. You want to solve your problem, not make it look as if you are rabble-rousing and ganging up on another employee.

- **If these approaches fail to work, try to limit the difficult person's access to you.** Protect the needs of your business, but avoid working with the person when possible. Leave voluntary committees, Choose projects he or she does not impact. Don't hurt your own career or your business, but avoidance is an option.
- **Transfer to a new job within your organization.** Depending on the size of your company, you may never have to work with this difficult coworker again. Fleeing is definitely an option.
- **If all else fails, you can quit your job.** What, flee, you ask? But, I wasn't the employee with the problem. I was not the difficult coworker. All I tried to do was my job. You're right. But, what price, in terms of your happiness and success, are you willing to pay to stay? You need to decide whether the good in your current situation outweighs the bad or whether the bad outweighs the good.

If the good wins, stop complaining and get back to work. Back track on these recommended steps and retry some of them when appropriate. If the bad wins, redirect your energy to leaving your current employment. You'll be glad you did.

Bad to the Bone: Dealing With a Bad Boss

The Unwitting Bad Boss

You're weary. You're frustrated. You're unhappy. You're demotivated. Your interaction with your boss leaves you cold. He's a bully, intrusive, controlling, picky or petty. He takes credit for your work, never provides positive feedback and misses each meeting he schedules with you. Or he caves immediately under pressure and fails to support you in accomplishing your job.

He's a bad boss, bad to the bone. Dealing with a less than effective manager, or just plain bad managers and bad bosses, is a challenge too many employees face. No matter the character of your bad boss, these ideas will help you deal with your bad boss.

Does the Bad Boss Know?

Start your campaign by understanding that your boss may not know he is bad. Just as in situational leadership, the definition of "bad" depends on the employee's needs, the manager's skills and the circumstances.

A hands-off manager may not realize that his failure to provide any direction or feedback makes him a bad boss.

He may think he's *empowering* his staff. A manager who provides too much direction and micromanages may feel insecure and uncertain about his own job. He may not realize his direction is insulting to a competent, secure, self-directed staff member.

Or, maybe the boss lacks training and is so overwhelmed with his job requirements that he can't provide support for you. Perhaps he has been promoted too quickly or his reporting responsibilities have expanded beyond his reach. In these days of downsizing, responsibilities are often shared by fewer staff members than ever before.

This bad boss may not share your values. The newer generation of workers expect that they can use their vacation time and take action to make work-life balance a priority. Not all bosses share these views. If your values are out of sync with those of your boss, you do have a problem.

Recommended Approach to the Unwitting Bad Boss

- Talk to this boss. Tell him what you need from him in term of direction, feedback and support. Be polite and focus on your needs. Telling the boss he's a bad boss is counterproductive and won't help you meet your goals.

- Ask the manager how you can help him reach his goals. Make sure you listen well and provide the needed assistance.
- Seek a mentor from among other managers or more skilled peers, with the full knowledge of your current manager, to enlarge your opportunity for experience.
- If you've taken these actions, and they haven't worked, go to your boss's manager and ask for assistance. Or, you can go to your Human Resources staff first, to rehearse and gain advice. Understand that your current boss may never forgive you, so ensure you have done what you can do with him, before taking your issues up the line.
- You may never hear what the boss's boss or the HR staff did to help solve your bad manager's behavior. It's confidential. But, do allow some time to pass for the actions to have their desired impact.
- If nothing changes, despite your best efforts, and you think the problem is that they don't believe you, draw together coworkers who also experience the behavior. Visit the boss's manager to help him see the size and impact of the behavior.
- If you think the problem is that your boss can't – or won't – change, ask for a transfer to another department. This recommendation presumes you like your employer and your work.
- If a transfer or promotion is unavailable, begin your search for a new job. Fleeing is always an option. You may want to conduct your job search secretly, but under the circumstances, it may be time for you to go.

See what to do When the Bad Boss Knows.

Fleeing the Bad Boss Is a Viable Option

When the Bad Boss Knows

Working with a manager at a client company, we discussed his approach to employees. He looked down his nose at them. He criticized and screamed at employees. He publicly humiliated any employee who made a mistake. One day he called me to ask a question. I thought, "Great. Break through." I was doomed to disappointment when he said, "I know that you don't approve of me screaming at staff as a regular thing." I agreed. "So, can you tell me, please, what are the circumstances under which it is okay to scream at them?"

This manager thought his behavior was perfectly acceptable. (The end of the story? He never did change and was eventually removed as manager.) Most managers that bully, intimidate, cruelly criticize, name call and treat you as if you are stupid likely know what they are doing.

They may know they're bad and even revel in their badness.

They may feel their behavior has been condoned - and even encouraged - within your organization. They may have learned the behaviors from their former supervisor who was viewed as successful.

You don't have to put up with demeaning behavior. You deserve a good boss who helps your self-confidence and self-esteem grow. You deserve a good boss who helps you advance your career. You deserve civil, professional treatment at work.

Recommended Approach to the Bad Boss Who Knows

- Start by recognizing that you have the right to a professional environment in your workplace. You are not the problem. You have a bad boss. He is the problem.
- You can try talking with the bad boss to tell him the impact that his actions or words are having on you or your performance. In a rare blue moon, the bad boss might care enough to work to modify his behavior. If he does decide to work on his behavior, hold him to his commitments. If you allow him to yell at you, even just a little bit, you are training him that he can get away with his former behavior. Don't go to war publicly, but draw his behavior to his attention as soon as you have the opportunity, privately.
- If the behavior does not change, appeal to his supervisor and to Human Resources staff. Describe exactly what he does and the impact the behavior is having on you and your job performance. You may never hear what the boss's boss or the HR staff did to help solve your bad manager's behavior. It's confidential. But, do allow some time to pass for the actions to have their desired impact.
- If nothing changes, despite your best efforts, and you think the problem is that they don't believe you, draw together coworkers who also experience the behavior. Visit the boss's manager to help him see the size and impact of the behavior.
- If you think the problem is that your boss can't – or won't – change, ask for a transfer to another department. This recommendation presumes you like your employer and your work.
- If a transfer or promotion is unavailable, begin your search for a new job. Fleeing is always an option. You may want to conduct your job search secretly, but under the circumstances, it may be time for you to go.

Twelve Tips for Team Building: How to Build Successful Work Teams

How to Make Teams Effective

People in every workplace talk about building the team, working as a team, and my team, but few understand how to create the experience of team work or how to develop an effective team. Belonging to a team, in the broadest sense, is a result of feeling part of something larger than yourself. It has a lot to do with your understanding of the mission or objectives of your organization.

In a team-oriented environment, you contribute to the overall success of the organization. You work with fellow members of the organization to produce these results. Even though you have a specific job function and you belong to a specific department, you are unified with other organization members to accomplish the overall objectives. The bigger picture drives your actions; your function exists to serve the bigger picture.

You need to differentiate this overall sense of teamwork from the task of developing an effective intact team that is formed to accomplish a specific goal.

People confuse the two team building objectives. This is why so many team building seminars, meetings, retreats and activities are deemed failures by their participants. Leaders failed to define the team they wanted to build. Developing an overall sense of team work is different from building an effective, focused work team when you consider team building approaches.

Twelve Cs for Team Building

Executives, managers and organization staff members universally explore ways to improve business results and profitability. Many view team-based, horizontal, organization structures as the best design for involving all employees in creating business success.

No matter what you call your team-based improvement effort: continuous improvement, total quality, lean manufacturing or self-directed work teams, you are striving to improve results for customers. Few organizations, however, are totally pleased with the results their team improvement efforts produce. If your team improvement efforts are not living up to your expectations, this self-diagnosing checklist may tell you why. Successful team building, that creates effective, focused work teams, requires attention to each of the following.

- **Clear Expectations:** Has executive leadership clearly communicated its expectations for the team's performance and expected outcomes? Do team members

understand why the team was created? Is the organization demonstrating constancy of purpose in supporting the team with resources of people, time and money? Does the work of the team receive sufficient emphasis as a priority in terms of the time, discussion, attention and interest directed its way by executive leaders?

- **Context:** Do team members understand why they are participating on the team? Do they understand how the strategy of using teams will help the organization attain its communicated business goals? Can team members define their team's importance to the accomplishment of corporate goals? Does the team understand where its work fits in the total context of the organization's goals, principles, vision and values?
- **Commitment:** Do team members want to participate on the team? Do team members feel the team mission is important? Are members committed to accomplishing the team mission and expected outcomes? Do team members perceive their service as valuable to the organization and to their own careers? Do team members anticipate recognition for their contributions? Do team members expect their skills to grow and develop on the team? Are team members excited and challenged by the team opportunity?
- **Competence:** Does the team feel that it has the appropriate people participating? (As an example, in a process improvement, is each step of the process represented on the team?) Does the team feel that its members have the knowledge, skill and capability to address the issues for which the team was formed? If not, does the team have access to the help it needs? Does the team feel it has the resources, strategies and support needed to accomplish its mission?
- **Charter:** Has the team taken its assigned area of responsibility and designed its own mission, vision and strategies to accomplish the mission.

Has the team defined and communicated its goals; its anticipated outcomes and contributions; its timelines; and how it will measure both the outcomes of its work and the process the team followed to accomplish their task? Does the leadership team or other coordinating group support what the team has designed?

- **Control:** Does the team have enough freedom and empowerment to feel the ownership necessary to accomplish its charter? At the same time, do team members clearly understand their boundaries? How far may members go in pursuit of solutions? Are limitations (i.e. monetary and time resources) defined at the beginning of the project before the team experiences barriers and rework?

Is the team's reporting relationship and accountability understood by all members of the organization? Has the organization defined the team's authority? To make recommendations? To implement its plan? Is there a defined review process so both the team and the organization are consistently aligned in direction and purpose? Do team members hold each other accountable for project timelines, commitments and results?

Does the organization have a plan to increase opportunities for self-management among organization members?

- **Collaboration:** Does the team understand team and group process? Do members understand the stages of group development? Are team members working together effectively interpersonally? Do all team members understand the roles and responsibilities of team members? team leaders? team recorders? Can the team approach problem solving, process improvement, goal setting and measurement jointly? Do team members cooperate to accomplish the team charter? Has the team established group norms or rules of conduct in areas such as conflict resolution, consensus decision making and meeting management? Is the team using an appropriate strategy to accomplish its action plan?
- **Communication:** Are team members clear about the priority of their tasks? Is there an established method for the teams to receive honest performance feedback? Does the organization provide important business information regularly? Do the teams understand the complete context for their existence? Do team members communicate clearly and honestly with each other? Do team members bring diverse opinions to the table? Are necessary conflicts raised and addressed?
- **Creative Innovation:** Is the organization really interested in change? Does it value creative thinking, unique solutions, and new ideas? Does it reward people who take reasonable risks to make improvements? Or does it reward the people who fit in and maintain the status quo? Does it provide the training, education, access to books and films, and field trips necessary to stimulate new thinking?
- **Consequences:** Do team members feel responsible and accountable for team achievements? Are rewards and recognition supplied when teams are successful? Is reasonable risk respected and encouraged in the organization? Do team members fear reprisal? Do team members spend their time finger pointing rather than resolving problems? Is the organization designing reward systems that recognize both team and individual performance? Is the organization planning to share gains and increased profitability with team and individual contributors? Can contributors see their impact on increased organization success?
- **Coordination:** Are teams coordinated by a central leadership team that assists the groups to obtain what they need for success? Have priorities and resource allocation been planned across departments? Do teams understand the concept of the internal customer—the next process, anyone to whom they provide a product or a service? Are cross-functional and multi-department teams common and working together effectively? Is the organization developing a customer-focused process-focused orientation and moving away from traditional departmental thinking?
- **Cultural Change:** Does the organization recognize that the team-based, collaborative, empowering, enabling organization of the future is different than the traditional, hierarchical organization it may currently be? Is the organization planning to or in the process of changing how it rewards, recognizes, appraises, hires, develops, plans

with, motivates and manages the people it employs? Does the organization plan to use failures for learning and support reasonable risk? Does the organization recognize that the more it can change its climate to support teams, the more it will receive in pay back from the work of the teams?

Spend time and attention on each of these twelve tips to ensure your work teams contribute most effectively to your business success.

Your team members will love you, your business will soar, and empowered people will "own" and be responsible for their work processes. Can your work life get any better than this?

PART TWO

CONCEPTS

	TERM	DEFINITION
1.	CONTROLLING	Monitoring activities to ensure they are being accomplished as planned and correcting any significant deviations.
2.	LEADING	Includes motivating subordinates, directing others, selecting the most effective communication channels, and resolving conflicts.
3.	MANAGERS	Individuals who achieve goals through other people.
4.	ORGANIZATION	A consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals.
5.	ORGANIZING	Determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.
6.	PLANNING	Includes defining goals, establishing strategy, and developing plans to coordinate activities.
7.	TECHNICAL SKILLS	The ability to apply specialized knowledge or expertise.
8.	HUMAN SKILLS	The ability to work with, understand, and motivate other people, both individually and in groups.
9.	CONCEPTUAL SKILLS	The mental ability to analyze and diagnose complex situations. to spot problems, identify alternatives that can correct them, evaluate those alternatives, and select the best one. Managers can be technically and interpersonally competent yet still fail because of an inability to rationally process and interpret information.
10.	ORGANIZATIONAL BEHAVIOR (OB)	A field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness. OB applies knowledge gained about individuals, groups, and the effect of structure on behavior in order to make organizations work more effectively.
11.	SYSTEMATIC STUDY	Looking at relationships, attempting to attribute causes and effects, and drawing conclusions based on scientific evidence.
12.	INTUITION	A feeling not necessarily supported by research.

13.	WORK FORCE DIVERSITY	The increasing heterogeneity of organizations with the inclusion of different groups.
14.	TOTAL QUALITY MANAGEMENT (TQM)	A philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational processes.
15.	REENGINEERING	Reconsiders how work would be done and the organization structured if they were being created from scratch.
16.	EMPOWERMENT	Putting employees in charge of what they do.
17.	ETHICAL DILEMMA	Situation in which an individual is required to define right and wrong conduct.
18.	PSYCHOLOGY	The science that seeks to measure, explain, and sometimes change the behavior of humans and other animals.
19.	SOCIOLOGY	The study of people in relation to their fellow human beings.
20.	SOCIAL PSYCHOLOGY	An area within psychology that blends concepts from psychology and sociology and that focuses on the influence of people on one another.
21.	ANTHROPOLOGY	The study of societies to learn about human beings and their activities.
22.	POLITICAL SCIENCE	The study of the behavior of individuals and groups within a political environment.
23.	CONTINGENCY VARIABLES	Situational factors; variables that moderate the relationship between the independent and dependent variables and improve the correlation.
24.	MODEL	Abstraction of reality; simplified representation of some real-world phenomenon.
25.	DEPENDENT VARIABLE	A response that is affected by an independent variable.
26.	PRODUCTIVITY	A performance measure including effectiveness and efficiency.
27.	EFFECTIVENESS	Achievement of goals.
28.	EFFICIENCY	The ratio of effective output to the input required to achieve it.
29.	ABSENTEEISM	Failure to report to work.

30.	TURNOVER	Voluntary and involuntary permanent withdrawal from the organization.
31.	JOB SATISFACTION	A general attitude toward one's job; the difference between the amount of rewards workers receive and the amount they believe they should receive.
32.	INDEPENDENT VARIABLE	The presumed cause of some change in the dependent variable.
33.	PRODUCTIVITY	An organization is productive if it achieves its goals and does so by transferring inputs to outputs at the lowest cost. As such, productivity implies a concern for both effectiveness and efficiency.
34.	ABILITY	An individual's capacity to perform the various tasks in a job.
35.	INTELLECTUAL ABILITY	That required to do mental activities.
36.	PHYSICAL ABILITY	That required to do tasks demanding stamina, dexterity, strength, and similar characteristics.
37.	PERSONALITY	The sum total of ways in which an individual reacts and interacts with others.
38.	PERSONALITY TRAITS	Enduring characteristics that describe an individual's behavior.
39.	MYERS-BRIGGS TYPE INDICATOR (MBTI)	A personality test that taps four characteristics and classifies people into one of 16 personality types. 1. Reserved vs. Outgoing 2. Less intelligent vs. More intelligent 3. Affected by feelings vs. Emotionally stable 4. Submissive vs. Dominant 5. Serious vs. Happy-go-lucky 6. Expedient vs. Conscientious 7. Timid vs. Venturesome 8. Tough-minded vs. Sensitive 9. Trusting vs. Suspicious 10. Practical vs. Imaginative 11. Forthright vs. Shrewd 12. Self-assured vs. Apprehensive 13. Conservative vs. Experimenting 14. Group-dependent vs. Self-sufficient 15. Uncontrolled vs. Controlled 16. Relaxed vs. Tense

40.	EXTRAVERSION	A personality dimension describing someone who is sociable, talkative, and assertive.
41.	AGREEABLENESS	A personality dimension that describes someone who is good-natured, cooperative, and trusting.
42.	CONSCIENTIOUSNESS	A personality dimension that describes someone who is responsible, dependable, persistent, and achievement oriented
43.	EMOTIONAL STABILITY	A personality dimension that characterizes someone as calm, enthusiastic, secure (positive) versus tense, nervous, depressed, and insecure (negative).
44.	OPENNESS TO EXPERIENCE	A personality dimension that characterizes someone in terms of imaginativeness, artistic sensitivity, and intellectualism.
45.	INTERNALS	Individuals who believe that they control what happens to them.
46.	EXTERNALS	Individuals who believe that what happens to them is controlled by outside forces such as luck or chance.
47.	LOCUS OF CONTROL	The degree to which people believe they are masters of their own fate.
48.	MACHIAVELLIANISM	Degree to which an individual is pragmatic, maintains emotional distance, and believes that ends can justify means.
49.	SELF-ESTEEM	Individuals' degree of liking or disliking of themselves.
50.	SELF-MONITORING	A personality trait that measures an individual's ability to adjust his or her behavior to external, situational factors.
51.	SOCIAL-LEARNING THEORY	People can learn through observation and direct experience. learning and the importance of perception in learning. People respond to how they perceive and define consequences not to the objective consequences themselves.
52.	SHAPING BEHAVIOR	Systematically reinforcing each successive step that moves an individual closer to the desired response
53.	CONTINUOUS REINFORCEMENT	A desired behavior is reinforced each and every time it is demonstrated.
54.	VALUES	Basic convictions that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.

55.	VALUE SYSTEM	A hierarchy based on a ranking of an individual's values in terms of their intensity.
56.	INDIVIDUALISM	A national culture attribute describing a loosely knit social framework in which people emphasize only the care of themselves and their immediate family.
57.	COLLECTIVISM	A national culture attribute that describes a tight social framework in which people expect others in groups of which they are a part to look after them and protect them.
58.	QUANTITY OF LIFE	A national culture attribute describing the extent to which societal values are characterized by assertiveness and materialism.
59.	QUALITY OF LIFE	A national culture attribute that emphasizes relationships and concern for others.
60.	UNCERTAINTY AVOIDANCE	A national culture attribute describing the extent to which a society feels threatened by uncertain and ambiguous situations and tries to avoid them.
61.	LONG-TERM ORIENTATION	A national culture attribute that emphasizes the future, thrift, and persistence.
62.	SHORT-TERM ORIENTATION	A national culture attribute that emphasizes the past and present, respect for tradition, and fulfilling social obligation.
63.	ATTITUDES	Evaluative statements or judgments concerning objects, people, or events.
64.	JOB INVOLVEMENT	The degree to which a person identifies with his or her job, actively participates in it, and considers his or her performance important to self-worth.
65.	ORGANIZATIONAL COMMITMENT	The degree to which an employee identifies with a particular organization and its goals, and wishes to maintain membership in the organization.
66.	COMMUNICATION	The transference and understanding of meaning.
67.	COMMUNICATION PROCESS	The steps between a source and a receiver that result in the transference and understanding of meaning
68.	ENCODING	Converting a communication message to symbolic form.
69.	MESSAGE	What is communicated of the message itself, and the decisions that we make in selecting and arranging both codes and

		content.
70.	CHANNEL	The medium through which a communication message travels.
71.	DECODING	Retranslating a sender's communication message.
72.	FEEDBACK LOOP	The final link in the communication process; puts the message back into the system as a check against misunderstandings.
73.	FILTERING	A sender's manipulation of information so that it will be seen more favorably by the receiver.
74.	JOB ANALYSIS	Developing a detailed description of the tasks involved in a job, determining the relationship of a given job to other jobs, and ascertaining the knowledge, skills, and abilities necessary for an employee to perform the job successfully.
75.	JOB DESCRIPTION	A written statement of what a jobholder does, how it is done, and why it is done.
76.	JOB SPECIFICATION	States the minimum acceptable qualifications that an employee must possess to perform a given job successfully.
77.	ASSESSMENT CENTERS	A set of performance simulation tests designed to evaluate a candidate's managerial potential.
78.	CAREER	A sequence of positions occupied by a person during the course of a lifetime.
79.	INSTITUTIONALIZATION	When an organization takes on a life of its own, apart from any of its members, and acquires immortality.
80.	ORGANIZATIONAL CULTURE	A common perception held by the organization's members; a system of shared meaning.
81.	DOMINANT CULTURE	Expresses the core values that are shared by a majority of the organization's members.
82.	SUBCULTURES	Mini-cultures within an organization, typically defined by department designations and geographical separation.
83.	CORE VALUES	The primary or dominant values that are accepted throughout the organization.
84.	STRONG CULTURES	Cultures where the core values are intensely held and widely shared.
85.	SOCIALIZATION	The process that adapts employees to the organization's culture.
86.	LEADERSHIP	The ability to influence a group toward the achievement of goals.

87.	EMPLOYEE-ORIENTED LEADER	One who emphasizes inter-personal relations
88.	PRODUCTION-ORIENTED LEADER	One who emphasizes technical or task aspects of the job.
89.	DEVELOPMENT-ORIENTED LEADER	One who values experimentation, seeking new ideas, and generating and implementing change.
90.	FIEDLER CONTINGENCY MODEL	The theory that effective groups depend upon a proper match between a leader's style of interacting with subordinates and the degree to which the situation gives control and influence to the leader.
91.	LEADER-MEMBER RELATIONS	The degree of confidence, trust, and respect subordinates have in their leader.
92.	TASK STRUCTURE .	The degree to which job assignments are procedurized
93.	POSITION POWER	Influence derived from one's formal structural position in the organization; includes power to hire, fire, discipline, promote, and give salary increases.
94.	COGNITIVE RESOURCE THEORY	A theory of leadership that states that a leader obtains effective group performance by first making effective plans, decisions, and strategies, and then communicating them through directive behavior.
95.	SITUATIONAL LEADERSHIP THEORY	A contingency theory that focuses on followers' readiness.
96.	PATH-GOAL THEORY	The theory that a leader's behavior is acceptable to subordinates insofar as they view it as a source of either immediate or future satisfaction.
97.	CHARISMATIC LEADERSHIP	Followers make attributions of heroic or extraordinary leader-ship abilities when they observe certain behaviors.
98.	TRANSACTIONAL LEADERS	Leaders who guide or motivate their followers in the direction of established goals by clarifying role and task requirements.
99.	TRANSFORMATIONAL LEADERS	Leaders who provide individualized consideration and intellectual stimulation, and who possess charisma.
100.	VISIONARY LEADERSHIP	The ability to create and articulate a realistic, credible, attractive vision of the future for an organization or organizational unit that grows out of and improves upon the present.
101.	POWER	A capacity that A has to influence the behavior of B so that B acts in accordance with A's wishes.
102.	DEPENDENCY	B's relationship to A when A possesses something that B

		requires.
103.	COERCIVE POWER	Power that is based on fear.
104.	REWARD POWER	Compliance achieved based on the ability to distribute rewards that others view as valuable.
105.	LEGITIMATE POWER	The power a person receives as a result of his or her position in the formal hierarchy of an organization.
106.	EXPERT POWER .	Influence based on special skills or knowledge
107.	REFERENT POWER	Influence based on possession by an individual of desirable resources or personal traits.
108.	POLITICAL BEHAVIOR	Those activities that are not required as part of one's for-mal role in the organization, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organization.
109.	LEGITIMATE POLITICAL BEHAVIOR	Normal everyday politics.
110.	ILLEGITIMATE POLITICAL BEHAVIOR	Extreme political behavior that violates the implied rules of the game.
111.	DEFENSIVE BEHAVIORS	Reactive and protective behaviors to avoid action, blame, or change.
112.	ORGANIZATIONAL STRUCTURE	How job tasks are formally divided, grouped, and coordinated.
113.	WORK SPECIALIZATION	The degree to which tasks in the organization are subdivided into separate jobs.
114.	DEPARTMENTALIZATION	The basis by which jobs are grouped together.
115.	CHAIN OF COMMAND	The unbroken line of authority that extends from the top of the organization to the lowest echelon and clarifies who reports to whom.
116.	AUTHORITY	The rights inherent in a managerial position to give orders and to expect the orders to be obeyed.
117.	UNITY OF COMMAND	A subordinate should have only one superior to whom he or she is directly responsible.
118.	SPAN OF CONTROL	The number of subordinates a manager can efficiently and effectively direct.
119.	CENTRALIZATION	The degree to which decision making is concentrated at a single point in the organization.

120.	DECENTRALIZATION	Decision discretion is pushed down to lower level employees.
121.	FORMALIZATION	The degree to which jobs within the organization are standardized.
122.	SIMPLE STRUCTURE	A structure characterized by a low degree of departmentalization, wide spans of control, authority centralized in a single person, and little formalization.
123.	BUREAUCRACY	A structure with highly routine operating tasks achieved through specialization, very formalized rules and regulations, tasks that are grouped into functional departments, centralized authority, narrow spans of control, and decision making that follows the chain of command.
124.	MATRIX STRUCTURE	A structure that creates dual lines of authority; combines functional and product departmentalization.
125.	TEAM STRUCTURE	The use of teams as the central device to coordinate work activities.
126.	VIRTUAL ORGANIZATION	A small, core organization that outsources major business functions
127.	BOUNDARYLESS ORGANIZATION	An organization that seeks to eliminate the chain of command, have limitless spans of control, and replace departments with empowered teams.
128.	MECHANISTIC MODEL	A structure characterized by extensive departmentalization, high formalization, a limited information network, and centralization.
129.	ORGANIC MODEL	A structure that is flat, uses cross hierarchical and cross functional teams, has low formalization, possesses a comprehensive information network, and relies on participative decision making.
130.	INNOVATION STRATEGY	A strategy that emphasizes the introduction of major new products and services.
131.	COSTMINIMIZATION STRATEGY	A strategy that emphasizes tight cost controls, avoidance of unnecessary innovation or marketing expenses, and price cutting.
132.	IMITATION STRATEGY	A strategy that seeks to move into new products or new markets only after their viability has already been proven.
133.	TECHNOLOGY	How an organization transfers its inputs into outputs.
134.	ENVIRONMENT	Those institutions or forces outside the organization that

		potentially affect the organization's performance.
135.	TASK SIGNIFICANCE	The degree to which the job has a substantial impact on the lives or work of other people.
136.	AUTONOMY	The degree to which the job provides substantial freedom and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out.
137.	FEEDBACK	The degree to which carrying out the work activities required by a job results in the individual obtaining direct and clear information about the effectiveness of his or her performance.
138.	DISTINCTIVE COMPETENCIES	Defines what it is that the organization is more superior at delivering than its competition.
139.	JOB ROTATION	The periodic shifting of a worker from one task to another.
140.	JOB ENLARGEMENT	The horizontal expansion of jobs.
141.	JOB ENRICHMENT	The vertical expansion of jobs.
142.	JOB SHARING	The practice of having two or more people split a 40- hour-a-week job.
143.	TELECOMMUTING	Employees do their work at home on a computer that is linked to their office.
144.	CHANGE	Making things different.
145.	PLANNED CHANGE	Change activities that are intentional and goal oriented.
146.	CHANGE AGENTS	Persons who act as catalysts and assume the responsibility for managing change activities.
147.	UNFREEZING	Change efforts to overcome the pressures of both individual resistance and group conformity.
148.	REFREEZING	Stabilizing a change intervention by balancing driving and restraining forces. Unfreezing Movement Refreezing
149.	DRIVING FORCES	Forces that direct behavior away from the status quo.
150.	RESTRAINING FORCES	Forces that hinder movement away from the status quo.
151.	ORGANIZATIONAL DEVELOPMENT (OD)	A collection of planned-change interventions, built on humanistic-democratic values that seeks to improve organizational effectiveness and employee well-being.
152.	SENSITIVITY TRAINING	Training groups that seek to change behavior through

		unstructured group interaction.
153.	PROCESS CONSULTATION	Consultant gives a client insights into what is going on around the client, within the client, and between the client and other people; identifies processes that need improvement.
154.	INTERGROUP DEVELOPMENT	OD efforts to change the attitudes, stereotypes, and perceptions that groups have of each other.
155.	TEAM BUILDING	High interaction among team members to increase trust and openness.
156.	INNOVATION	A new idea applied to initiating or improving a product, process, or service
157.	LEARNING ORGANIZATION	An organization that has developed the continuous capacity to adapt and change.
158.	STRESS	A dynamic condition in which an individual is confronted with an opportunity, constraint, or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important.
159.	CONSTRAINTS	Forces that prevent individuals from doing what they desire.
160.	DEMANDS	The loss of something desired.

Health Care Delivery Terminology

by Dr. Debra H. Tennyson (updated 5/01)

Access – The ability to obtain appropriate care in a timely manner. Access is not the same as health insurance coverage, although insurance coverage is a strong predictor of access for primary care services.

Acute care - Short-term, intense medical care usually requiring hospitalization.

Adverse selection – A phenomenon in which individuals who know they are most at risk of utilizing insurance benefits disproportionately purchase insurance. As more claims are filed, insurance companies raise their premiums and it becomes more expensive to purchase health insurance due to cost-shifting. Healthier subscribers will then drop out or switch to less expensive plans, while those more likely to use benefits retain coverage in plans providing better benefits. As a result, expensive, high risk medical patients remain in the insurance plan, resulting with very high premiums, because there are few low risk patients over whom to spread the risk.

Ambulatory care – Also referred to as outpatient services. Ambulatory care typically includes care at physicians' offices, outpatient departments of hospitals, and health centers

Ancillary services – Patient services rendered in a hospital or other institution other than room and board and professional medical services such as physician and nursing care. Examples include radiology, pharmacy, laboratory, physical therapy, and other supplies.

Alternative Delivery System – Health care delivery systems which provide an alternative to the traditionally known setting in an acute hospital or in a physician's office with a traditionally familiar fee-for-service payment system. The Alternative Delivery System integrates financing concerns with patient care services, typically managed care settings, emphasizing cost in addition to care.

Bundling – (opposite of unbundling) The combination of payments for various medical services rendered into a single payment. An example would be incorporating the separate costs of basic laboratory tests, nurse vital statistics and physician medical examination into one fee for a specific illness or medical condition.

Capitation – A negotiated (between insurance company or managed care provider and medical care provider) fixed reimbursement per member per month. In return for the stream of revenue premiums from the insurance company, the medical provider (usually physician) provides the negotiated range of health care services. The fee remains constant independent of the amount of care the patient may need, thus shifting the financial risk and incentive to maintain costs from the insurance company to the physician.

Case management – An organized approach (usually provided by a nurse) to evaluate

the health care needs of a patient: identify appropriate services to meet the health care needs, choose the most cost-effective setting and providers, coordinate the delivery of services, and monitor outcome.

Case-mix – An overall rating of the intensity of medical and nursing intervention required, based on a composite of individual patient severity of illness and an estimate of the resources needed.

Charge – The amount a provider bills for rendering a service. See cost.

Charity care – Health care services provided by the hospital or other provider where payment is not expected due to the level of indigence or medical indigence. The charges incurred from these patients are written off to “charity”, “bad debt expense” or “uncompensated care.”

Claim – A demand for payment of covered medical expenses sent to an insurance company.

Community hospital – Nonfederal, short-term, general or special hospital whose services are available to the general public.

Community rating – When the same insurance rate is set for all insurers independent of risk or number of claims filed, as opposed to medical underwriting or experience ratings.

Continuum of Care – Classification of the level and type of care provided to individuals throughout the duration of their health care needs moving from the most acute and intensive to the least acute and least intensive care needed and provided. This full range of services concept is a basic philosophy of managed care and integrated health care.

Copayment – A set fee that an insured must pay out of pocket per claim or medical expense used as an incentive mechanism to discourage over-utilization of health services.

Cost – What it costs the provider to produce a service. See charge.

Cost Shifting – Practice of charging certain patients higher rates to recoup losses sustained when a third-party payor reimburses at a lower, inadequate rate. For example, Medicaid reimbursements are much lower than a provider bills, thus other insurance companies or private pay patients are charged higher rates to help compensate for the “loss” incurred with Medicaid patient payments.

Deductible – A pre-set amount, usually between \$100 and \$500 annually, that the insured must pay out of pocket for medical expenditures before any insurance coverage applies. It is independent of the number of patient visits or overall cost.

“Defensive Medicine” – Describes the present environment where physicians feel the need to overprescribe tests and procedures in order to limit liability exposure to potential

legal action. The combination of more malpractice cases files, greater damage awards granted, and escalating premium hikes for liability insurance has created an atmosphere where liability exposure becomes almost as critical a factor as clinical efficacy in physician treatment decisions.

Diagnosis Related Group (DRG) – A patient classification system that relates demographic, diagnostic, and therapeutic characteristics of patients to length of inpatient stay and amount of resources consumed. DRGs identify 492 classifications of diagnosis on which Medicare payment is based under the prospective payment system (PPS).

Employer Mandates – A mandate by the government that requires firms to provide at least the basic benefits package of health care coverage. These mandates also set employer contribution minimums toward the cost of coverage and the number of plans the employer must offer.

“Entitlement Programs” – Government programs that set eligibility criteria upon which eligible individuals are “entitled” to payment and service provision from the government or their representative, e.g. Medicare and Medicaid.

Enrollees – People enrolled in a health plan, especially in a managed care plan (versus “insured” who are insured by a traditional insurance plan).

Epidemiology – The study of the distribution and determinants of health, health behavior, disease, disorder, and death in a population group.

Experience rating – A basis for insurance rates on the group’s actual health care expenses in a prior period. Allows healthier groups to pay less, unlike community rating.

Fee for Service – The traditional reimbursement form where payment is made on the basis of services rendered to the patient. Payment can be based upon usual, customary, and reasonable charges, allowable costs, or variations of; different from capitated rates or PPS

Fee schedule – The negotiated fees to be charged between the provider and the managed care insurer, different from the traditional system of fees set by the provider.

“Gatekeeper” – Primary care physician who is responsible, clinically and subsequently financially, for the care received by specific individuals in a managed care system. The primary care ‘gatekeeper’ (physician) oversees the patient throughout the levels of the health care provider network. Patients cannot see a specialist physician without a referral from their primary care gatekeeper.

Global Budget – Officially set funding maximum amounts forming the baseline for spending and reimbursement decisions. A fixed total of money, determined by usually a government group, to cover all facets of health care services and activities.

Health Maintenance Organization (HMO) – A type of managed care organization responsible for providing or arranging the provision of comprehensive health care services on a prepayment basis to voluntarily enrolled persons within a designated population. HMOs emphasize prevention, wellness, and the “gatekeeper” model of primary care to maintain the health and thus claim costs, of their enrolled populations.

Independent Practice Association (IPA) – A type of managed care organization. Usually a group of physicians who form a legal entity that provides prepaid health care service to subscribers of a health plan. An IPA contractual arrangement provides physicians with a greater sense of independence than they would in a traditional HMO with a structured employment relationship.

Indemnity – An insurance plan that reimburses for all services covered under its policy. The enrollee is free to choose the provider.

Inpatient services – Health care services received in a hospital or other institution (e.g. nursing home), with overnight stay.

Integrated Health System – A strategic market position for health care providers providing a continuum of services; vertical or horizontal integration.

Insured – Similar to enrollees, policyholder or subscriber. The person who contracts with an insurance company for coverage and is credited with payment of the premium.

Insurer – Typically the insurance company; also includes managed care companies, and even the government.

“The Iron Triangle” (of Health Purchasing Logic) – key issues when selecting providers: service, costs, and outcomes. Also the “three legs of a stool” in health care are the key issues of access, quality and cost.

Managed Care – Form of health insurance coverage where enrollee utilization patterns and provider service patterns are monitored before (prospectively), during (concurrently), and after (retrospectively) the actual delivery of benefits. The insurer takes a more aggressive stance in their relationship with providers in order to contain costs and review utilization unlike traditional indemnity insurance which typically covered whatever the health care professional decided to do for the individual. Managed care entities are a mechanism for controlling health care costs and can be designed as PPOs, HMOs, IPAs, or other alternative delivery systems.

Managed Competition – This model attempts to develop a structure where health plans are forced to compete by vying to organize and deliver health services efficiently rather than by selecting low risk groups. Health plans compete for enrollment in each community under a set of rules that assures the competition is fair but vigorous.

Medicaid – A joint federal-state program of health insurance for the poor created under

Title XIX in the 1965 Amendments to the Social Security Act. It provides health care benefits to the individuals who are categorically entitled to other federal welfare programs (e.g. Aid to Families with Dependent Children Supplemental Security Income) and certain specific groups (e.g. children and single mothers) that fall below the poverty level.

Medicare – A federal program of health insurance for the elderly and some disabled persons created under Title XVIII in the 1965 Amendments to the Social Security Act. It primarily provides health insurance benefits to persons over the age of 65 and others eligible for social security benefits, such as renal dialysis or kidney transplantation, railroad retirement or some disabled persons.

Medicare, Part A – This part covers hospital costs under the Hospital Insurance Program of Medicare. Individuals are automatically enrolled in Part A if they meet the Medicare criteria.

Medicare, Part B – This part covers physician's services under the Supplemental Medical Insurance program of Medicare. Individuals, who are eligible for Part A Medicare, voluntarily pay monthly premiums for this coverage.

Medigap – Additional commercial health insurance policies purchased voluntarily by individuals covered by Medicare Part A to insure against the expenses not covered by Medicare.

Moral hazard – In general, people who have health insurance tend to consume more health care services than those who must pay out of pocket for similar services.

Morbidity - sickness

Mortality - death

Multi-Hospital Institution – Also referred to as a multi-institutional organization; two or more hospitals that are owned, leased, sponsored, or contract managed by a central organization.

Outcomes measurement – Recording and comparing the outcomes/results of health care intervention with original patient status. Along with the results of the clinical activity, outcomes measurement systems often compare treatment patterns to established practice parameters, such as standard treatment protocols, critical paths, and clinical pathways.

Out of pocket costs – Costs of health care expenditures to be paid by the patient. For an individual covered by health insurance, these costs would generally include deductibles, copayments, costs of excluded services, and costs in excess of what the insurer has determined to be “customary, prevailing, and reasonable.”

Outpatient services – Outpatient services include health care services not associated

with an inpatient stay. Also see ambulatory care.

Overutilization – overuse; utilization of medical services when the cost exceeds the benefit to consumers, or the risks outweigh the potential benefits to be derived.

Payor or Payer – The party who actually makes payment for services under the insurance coverage policy, usually the insurer.

Peer review organizations (PRO) – A means by which to control health care costs. A statewide private organizations composed of practicing physicians and other health care professionals who are paid by the federal government to review the care provided to Medicare beneficiaries to determine whether care is reasonable, necessary, and provided in the most appropriate setting.

Per diem – A type of reimbursement mechanism for inpatient care in a health care institution comprised a flat rate of a flat rate for each day of inpatient stay.

Physician Hospital Organization (PHO) – A type of managed care arrangement between health systems, health system affiliates, and physicians, integrating the clinical, financial, and administrative functions of both entities. Knowledgeable about the local needs and situations, PHOs are believed to have a comparative advantage in the area of service, costs, and outcomes, giving a competitive advantage when negotiating contracts with large purchasers of health care services.

Point of service – Insured individuals decide at the time they need medical care (at the point of service) whether to go to a provider on the panel or to pay more and get services elsewhere. This option enables the managed care plans to be more flexible to enrollees.

Preferred Provider Organization (PPO) – A type of managed care organization which applies to a variety of direct contractual relationships between hospitals, physicians, insurers, employers, and/or third-party administrators. In a PPO providers negotiate with group purchasers to provide health services for a defined population. This arrangement typically shares the following three characteristics: 1) a negotiated system of payment for services that may include discounts from usual charges or ceilings imposed on a charge, per diem or per discharge basis, 2) financial incentives for individual subscribers (insureds) to use contracting providers, usually in the form of reduced copayments and deductibles, broader coverage of services, or simplified claims processing, and 3) an extensive utilization review program.

Premium – The amount charged by the insurer for insurance coverage, the price for an insurance plan.

Prepaid plan – A plan under which health services are provided for a fixed, prepaid fee.

Primary care – Provision of basic or general health care by primary care physicians (General Practice, Family Practice, Internal Medicine, Pediatrics, Obstetrics and

Gynecology), nurse practitioners, physician assistants, and other physician extenders usually in an office or clinic. Primary care often emphasizes those medical services required to maintain health or to treat simpler and more common diseases. Patients usually enter the medical care system when seeking primary care services.

Prospective Payment System (PPS) – Method of reimbursement based on DRGs adopted by the Federal Government in 1983 to help curb escalating Medicare costs. The government establishes payment rates for many illnesses and conditions in advance for the coming fiscal year. Providers are paid these pre-established rates for services delivered regardless of the actual costs actually incurred during service provision, and thus are bearing a greater financial risk.

Provider – Any individual or organization that provides health care services e.g. physicians, hospitals, dentists, laboratories of durable medical equipment.

Purchasing Pools – Organizations that group otherwise unrelated workers together (e.g. small businesses, self employed) so that they can achieve better ratings and discounts; similar to a co-operative. Better rates are achieved from being able to spread risk over larger numbers of lower risk individuals.

Queuing – Phrase referring to waiting time for a service or item. One consequence of rationing is the waiting list that comes with a controlled supply.

Rationing – The method determining who gets what, when, where, and how. Scarce available resources and high demand for health care services means some form of allocation will have to take place, with either a marketplace determiner or some other mechanism, e.g. should health care be rationed by ability to pay or by medical need.

Reimbursements – The amount paid for health care to a provider by the insurers; it may be only a portion of the actual charge.

Resource Based Relative Value Scale (RBRVS) - A method to help create a more equitable payment balance between reimbursement for primary care physicians and specialists and to help control escalating costs. This prospective payment system was designed by the Health Care Financing Administration (HCFA) for Medicare physician reimbursement. The reimbursement is based on costs associated with overhead, malpractice, and skills/education (opportunity).

Risk factor – Some environmental element, personal habit, or living condition that increases the likelihood of developing a particular disease or negative health condition at some time in the future.

Risk selection – Reducing costs of health insurance by enrolling healthier people and avoiding those who are likely to use more services.

Safety net – Programs (generally run by the government) that enable some people to

receive health care services they would otherwise have to forego, when they lack private resources to pay for such services. For example, Medicaid becomes a safety-net for long-term care services once a patient has exhausted private funds. Community health centers are safety net providers for many uninsured and vulnerable populations.

Secondary care – Routine hospitalization, routine surgery, and specialized outpatient care such as consultation with specialists and rehabilitation which are usually more complex than primary care involving advanced diagnostic and therapeutic procedures.

Self insure – A large company may act as its own insurance company by collecting premiums and paying claims. Such businesses most often purchase reinsurance against unusually large claims.

Subacute care – Various medical-surgical, oncological, rehabilitation, and other specialty services for patients who no longer need acute care but require more nursing intervention than has traditionally been provided by nursing homes. Subacute care entails nursing services that are above and beyond traditional skilled nursing care, e.g. care required by a patient on a respirator with a tracheostomy who may require intravenous therapy.

Taxation of health care benefits – The portion of health insurance premiums paid by employers for employees, thus using pre-tax dollars (exempt from personal income tax) which results with a distortion making the real cost of the benefits appear less to both the employer and employee.

Tertiary Care – The most complex level of care. Typically, tertiary care is institution based, highly specialized, and highly technological. Many teaching hospitals are tertiary care centers; examples include burn treatment, transplantation, and coronary artery bypass surgery.

Third Party Payor – The organizations who are not the patient but are paying for the medical care; insurance or prepayment agreement (usually an insurance company, prepayment plan, or government agency) responsible for paying the provider designated expenses incurred on behalf of the insured.

Unbundling – See bundling

Uncompensated Care – Charity care provided to uninsured who cannot pay.

Underinsurance – Medical insurance coverage that is inadequate to cover the costs of a major illness, and thus the patient is responsible personally for payment of the difference in covered and uncovered costs.

Underwriting – The process by which an insurance company determines medical risk and makes decisions about whom to cover and how much to charge

Uninsured – Those who do not have medical insurance

Universal Access – The ultimate ideal of health care reform: every American citizen having the ability to access health care services. Even by extending coverage through some mechanism (e.g. employer mandates), making health services accessible to all Americans is not guaranteed. Accessibility will most likely remain a function of insurance coverage, urban/rural location, socioeconomic status, age, and other factors.

Utilization – Extent to which health care services are actually used. For example, number of physician visits per person per year is a measure of primary care service utilization.

Value – The desired clinical outcome and level of service at an acceptable price to the purchaser and consumer of health care services. (NOTE: The purchaser and consumer of health care services are frequently two different entities in the health care goods exchange.) This is often a foreign notion to providers who have been traditionally guided by a “care at any cost” instead of being focused on delivering “cost-effective” care.