



Superior Productivity in Health Care Organizations: How to Get It, How to Keep It

Paul Fogel, MBA

Health Professions Press,
Baltimore, MD, 2004,
187 pp., \$26.95

Today's health care environment places many demands upon health care administrators and managers to achieve optimal operational results through a deployment of resources that uses the best available practices, information, and designs available. In this book, Paul Fogel lays out a logical program to help organizations move from poor performance to optimal performance by controlling their largest expense—labor.

In a preface, the author notes that health care industry journals address productivity management in piecemeal fashion and largely remain at the theoretical level. Perceiving a practical industry need, then, Fogel sets out to provide the reader with “a conceptual framework that fits productivity into the overall management structure of the hospital” (p. xi) and explains “the underlying management philosophy necessary for developing superior productivity” (p. xii). It is important to note that, to the writing of this book, the author brings a unique and practical perspective based on working with more than 50 hospitals on these issues.

The book contains six chapters, an appendix of case studies of actual situations, a welcome glossary of terms, and an index. In his first chapter, “The State of the Union,” Fogel addresses current popular strategies for reducing costs, including layoffs, changing the skill mix, benchmarking, “float pools,” and hospital mergers. He also indicates how these strategies have often come up short and can have unfavorable consequences for the quality of patient care. Chapter 2, “How to Develop Realistic Productivity Standards,” very nicely demonstrates how an organization can develop practical standards by “mining” its history, down to the level of each department. “Drilling down” in a department results in the department manager's confronting hard data, negotiating effective standards, and then being held accountable for those results.

Chapter 3, “Implementation,” is the critical “how-to” section of the book, once one has arrived at realistic staffing standards. However, if these standards are to work as intended, the organization must artfully resolve core productivity concepts and management challenges before designing the necessary reporting and monitoring tools. Once again, Fogel says that it is necessary to “drill down” to the department level to discover how delegation of authority and responsibility accrue to each

department manager. This collapsing of authority also requires the development of new organizational rules to govern productivity management.

In Chapter 4, “Monitoring and Reporting,” Fogel moves on to a practical and useful discussion of customizing monitoring systems, protocols, and user-friendly reports. He challenges the reader to admit that “the arcane language of management engineering is largely impenetrable to department managers, the very people charged with using the system” (p. 105).

In the fifth chapter, “Incentives and Consequences,” the author turns to motivational issues. An organization must provide a rationale for asking its people to change, he writes. In this chapter, Fogel addresses a valid concern related to incentive plans: Do they not ask managers to cut service and compromise quality to save money? Here, the author maintains that it is critical that an organization have an effective productivity policy so that the organization can be managed according to its declared values and guiding principles, rather than according to utility.

Chapter 6, “The Politics of Productivity,” concerns gaining cooperation from key stakeholders: medical staff, labor unions, executives, department managers, and the board. All must be engaged and involved in moving the organization culture along to realizing superior productivity, Fogel writes.

This reviewer was impressed by the way Fogel directly takes on vital questions involving organizational politics, employee relations, quality of care, and other values-laden issues. His approach is balanced and speaks to the heart of good stewardship: the responsibility to wisely care for and share the human, environmental, and financial resources we hold in trust for others. The reviewer sees this book as also contributing to another aspect of the health care ministry: the principle of subsidiarity. By encouraging department managers to assume responsibility for their areas, all organizational leaders can improve their understanding of the notion of personal and professional accountability in the workplace.

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JOURNAL OF THE CATHOLIC HEALTH ASSOCIATION OF THE UNITED STATES

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