Centralization versus decentralization of nursing service management

Herbert B. Shoemaker

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CENTRALIZATION VERSUS DECENTRALIZATION
OF NURSING SERVICE MANAGEMENT

A Thesis
Presented to the
Faculty of
California State
College, San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts
with
A Special Major

by
Herbert B. Shoemaker
June 1982
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Approved by:

Chairman

Date
ABSTRACT

The discussion of hospital management is the major focus of this thesis. More specifically, the decentralization and the participative concepts, as they apply to nursing service management in moderate sized hospitals.

In response to these management concepts, this thesis addresses the following hypotheses: (1) decentralization and participative management does have a positive effect on nursing service personnel retention, and (2) decentralization and participative management enhances the industrial attributes of both job enrichment and job enlargement. These hypotheses were tested by utilizing a sample frame from the total population of moderate sized hospitals in California. A survey-questionnaire was the primary vehicle utilized to accomplish this research study. Moreover, a comprehensive review of the literature was utilized to enhance the interpretation of the results of the survey-questionnaire. The first hypothesis was not supported: the length of time of decentralization was not sufficient to provide conclusive evidence in this area. The second hypothesis was supported; all survey responses indicated an increase in both job enrichment and job enlargement.

The results of this study indicate that decentralization and participative management are the concepts of the future. The thesis concluded that these concepts should be utilized in the future management of our hospital system.
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Chapter 1

INTRODUCTION

This thesis deals with a key ingredient for successful hospital management, "decentralization." The effort is timely. Pervasive developments and changes in hospital organizations and their salient environments have created sets of conditions for which the concept of decentralization becomes critical.

"Decentralization" is not a precise or absolute term. The term does mean different things to different people. Starting from a pure definition and working towards a usable one, we can begin by noting that decentralization has at least two common meanings. One is geographic decentralization, which refers to the spreading out of the physical plant facilities. The other generally held meaning is decentralization of authority, which refers to the spreading out of the authority, responsibility, and decision-making to members of the organization other than the dominant executive.¹ I will exclude geographic decentralization and concentrate on decentralization of decision-making authority; managerial decentralization as opposed to geographic decentralization.

Although decentralization is a crucial ingredient to sound management practice, it seems to be the one least understood and practiced. S. LaViolette in her article, Hospital Pressures Trigger Increased Democracy in Nursing Departments, opens with the following frank statement: "the nursing department autocrat is on the way out. So are the matriarchs and militarists."²

Nursing directors are changing their departments' organizational structures. They are moving from what they variously describe as autocratic, matriarchal and militaristic structures to democratic organizations where management authority is shared among staff.³

Congruently, decentralization epitomizes the philosophy of participative management: decision making is pushed downward on the organizational ladder. R.F. Vancil in his book, Decentralization: Managerial Ambiguity by Design, offers a plausible motive: the primary force motivating the adoption of managerial decentralization is economic; more specifically, the economics of the managerial task, and the effect that the quality of managerial decisions has on the economic performance of the firm.⁴

²S. LaViolette, Hospital Pressures Trigger Increased Democracy in Nursing Departments, Modern Health Care, May, 1979, p. 62.
³LaViolette, p. 62.
Thus, I might say that the adoption of the decentralized form of organization has fed on itself. The American originators of the concept, DuPont and General Motors, invented it out of necessity. Their businesses had great potential for growth, and they wanted to improve corporate performance by improving the quality of managerial decision. Later, other corporate managers, who had constrained the growth of their businesses in order to keep it manageable, realized that they could seize on new opportunities for diversification and, by decentralizing, maintain managerial effectiveness.

The reorganization of nursing departments along democratic lines is being pushed by both progressive nursing leaders and hospital administrators, who are themselves being pushed by consumer and government groups.

Hospitals are becoming increasingly complex operations with technological advances and the regulatory advance of governments concerned about costs and quality of health care. The job of managing operations has become "too big for any one category or discipline to do."

Another area of concern is that of personnel turnover. During the past decade, hospitals have experienced

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5S. LaViolette, Hospital Pressures Trigger Increased Democracy in Nursing Departments, Modern Health Care, May, 1979, p. 63.
unacceptable rates of personnel turnover. The hardest hit has been the nursing service.

This thesis will also delve into, and attempt to answer the following question: "what is the relationship between decentralization of nursing service management, and nursing service personnel turnover?" I believe there is a relationship, and if so, this could be the answer to a long time unsolved problem. My methods will be inferential, and a research study of moderate sized hospitals in the State of California. Moderate sized hospitals is defined as those with bed capacities of between 200 and 500 beds.

I hope to prove that decentralization, coupled with participative management, can and will relieve many of the problems facing our hospital system today.
Like many other very familiar things, management is a very difficult concept to define. Wren gives several examples of definitions of management in his book on Modern Health Administration:

a. Management is the function of getting things done through people and directing the efforts of individuals toward a common objective.

b. Management is the basic, integrating process of the business activity that surrounds our daily life.

c. Management consists of all activities undertaken to secure the accomplishment of work through the efforts of other people.

d. Management is the accomplishment of desired objectives by establishing an environment favorable to performance by people operating in organized groups.

e. Management has been defined in very simple terms as getting things done through the efforts of other people.

f. Management may be defined as a technique by means of which the purpose and objectives of a particular human group are determined, clarified and effectuated.

g. Management may be defined as the process by which the execution of a given purpose is put into operation and supervision.

One of the best and most comprehensive definitions

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6G.R. Wren, Modern Health Administration, Athens: University of Georgia Press, 1974, p. 3.
of management comprises all of the above, and includes efficiency of operations, profit making, and job satisfaction: management is "securing maximum results with a minimum of effort so as to secure maximum prosperity and happiness for both employer and employee, and give the public the best possible service." 7

Management can be traced back many centuries, and there are a number of excellent organizational examples which are practiced today. Albers recites a most applicable one in his writing, concerning the Roman Catholic Church.

The Roman Catholic Church successfully solved the organizational problems of large size long before today's industrial giants came into being. It developed organizational practices that made possible comprehensive control over the religious lives of more than half a billion people in every corner of the world. The central administrative organization of the Catholic Church, known as the Curia Romana, corresponds to the top levels of complex governmental and military organizations. The Catholic Church followed a geographical pattern in its basic departmentation, but it also developed a highly effective functional approach to problems that can be better handled on this basis. The staff concept is utilized at all levels of the organization to permit specialized and subordinate participation in the

decisional process without destroying unity of command.\(^8\)

As Albers further expounds on examples of ancient management such as the Roman Empire and the Venice Arsenal; (which was the forerunner of the assembly line) Aaron Levenstein, the noted legal writer for Supervisor Nurse, writes: Hospitals, one of the oldest management operations, provides us with concepts that are being taught in modern management today.\(^9\) Modern management, as we know it today, gained many of their ideas from these ancient management organizations.

The Background of Modern Management

The ascendancy of the factory as the primary mode of production and the tremendous rise in the volume of production after the industrial revolution created a need for large numbers of managers. Factory organization brought about a more complete differentiation between management and non-management functions and between managers and workers. It also enlarged the scope of the management function.\(^10\)

The factory required more planning and supervision than the smaller and simpler handicraft production units. The function of work division became ever more minute. His

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\(^10\) Albers, pp. 13-14.
perspective became the specialized job. The task of integrating his jobs with other jobs passed to the manager. The relationships between the employer and the worker became more impersonal, and the problem of motivation became more difficult. The pride of craftsmanship and the social status that evolved were no longer present. His interest in the enterprise was solely in wages to support and nurture his body and soul. The difficulty of achieving cooperation in the factory organization is indicated by the efforts of the pioneers of scientific management to devise improved wage systems. The importance of the non-economic motivations of the early craft organizations is emphasized by the attention now being given to the social system in organizations and the attempts to reproduce smaller-scale production units through decentralization.

The examples previously given in the introduction, show that the practice of successful management preceded the factory system and industrial revolution. Many of the problems that evolved from the rise of the factory as the dominant mode of production existed in pre-industrial revolution factories, such as The Arsenal of Venice. The functions of management were important in these early organizations, and fragmentary historical accounts indicate that they were often performed. With the factory system came larger and more complex organizations in other areas of endeavor, which further expanded the need for management and managers.
The Beginning of Scientific Management

Scientific management was one of the first comprehensive theories of supervision. Very simply, the scientific-management approach says that there is one best way to do each of the jobs the supervisor oversees. The task of the supervisor becomes one of studying the jobs carefully (scientifically), determining the proper work methods, and ensuring that the workers follow the procedures which have been decided upon.\textsuperscript{11}

Fred Luthans, Henry Albers, and George Wren give excellent background information in their writings concerning scientific management. Each author recites the experiences and experiments of Frederick Taylor, known as the father of scientific management. Wren writes: Taylor's earliest and most important work was conducted at Bethlehem Steel Company at the turn of the century. After observing a group of workers handling pig iron (pieces of iron shaped like pigs, and weighing about 92 pounds each), using various redundant methods, Taylor reasoned that there must be a better way.\textsuperscript{12}

To find the best method for handling pig iron, Taylor conducted a series of experiments. These experiments showed that a man should be able to handle 47-1/2 long tons

\textsuperscript{11}Albers, p. 15.

\textsuperscript{12}G.R. Wren, Modern Health Administration, Athens: University of Georgia Press, 1974, pp. 76-78.
per day. This was in contrast to the 12-1/2 tons per day presently being loaded. In order to handle this much pig iron, research indicated the man would have to rest about 57 percent of the time. The next step in the project was to select a man and train him to handle the amount of pig iron that the experiment indicated were possible. A man, to whom Taylor gave the pseudonym of Schmidt, was trained to work in accordance with Taylor's methods. He was told when to work and when to rest, and by five-thirty of the first afternoon he had loaded 47-1/2 tons.  

Today "Taylorism," or scientific management, is still very much in evidence in our factories. One example is the modern automobile assembly plant. The entire assembly line process is carefully analyzed and divided into a specified number of jobs. If all workers perform their jobs according to this approach, the auto assembly plant is extremely efficient and profitable. 

However, the catch is that it is not uncommon for workers to refuse to follow the rigid procedures and methods inherent in such a scientific-management approach. Luthans gives an example of such behavior in his book, "The practice of Supervision and Management." "... the Chevrolet Vega plant in Lordstown, Ohio, has provided a widely publicized

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13 Albers, pp. 34-36.
14 Luthans, p. 6.
example of workers refusal to be pigeonholed into the routines dictated by a scientific-management approach."

Even when only a minority of workers refuse to follow the prescribed work methods, the results can be devastating, because each job in the factory depends on all the other jobs. This is the major criticism to be leveled against the scientific-management approach. It assumes that people will accept the rigid structure of "scientifically" designed jobs, and that this acceptance can be ensured through payment on a piece-work basis. Thus, the theory has been severely criticized for overlooking the human needs of the workers, who are essential to the accomplishment of any organization's goals.

Other Methods of Management

The human relations approach to supervision initially came about in reaction to the scientific-management movement. The supervisor who has adopted the human relations approach is mainly concerned with employees' needs, taking into account the human element in the assignment of jobs, determination of work procedures, and so forth. The reasoning behind this approach is that the supervisors must be considerate and fair in their relationships with employees and must integrate their personal needs with goals

of the organization. The assumption is that if the supervisor treats employees well and provides the personal attention that is necessary, they will respond favorably and be highly productive in their work efforts.

George Wren delves into the behavioral science approach in his book, "Modern Health Administration." He cites examples of The Hawthorne Studies, Informal Groups, The Maslow Hierarchy of Needs, and participative management as being some of the approaches used by behavioral scientists.\(^{16}\)

Wren argues that out of the human relations experiments, rose the behavioral science school of management. By borrowing from all the behavioral sciences, this school of management has its theory firmly founded on scientific methodology. Therefore, management based on behavioral science findings is not a collection of simple devices, but upon proven, or at least, observed human individual and group behavior. It is as much dedicated to meeting the worker's needs as those of management, and the ideal objective is to achieve congruence of both as far as this is possible. The behavioral science school of management is still in a relative stage of infancy, and new thoughts, approaches, and ideas are being experimented with

\(^{16}\)Wren, pp. 25-48.
Luthans describes two new approaches, in what he calls "The Universal Principles Approach" and "The New Contingency Approach." The Universal Principles Approach is so named because it is based on the premise that there are some universal principles of management which, if carefully followed by the supervisor, will result in the efficient operation of the organization. These principles include such basics as planning, organizing, coordinating, communications, directing and controlling. The idea is that supervisors must develop approaches and specific techniques to ensure the occurrence of these universal functions.

The New Contingency Approach is the newest approach to supervision. Concisely, it says that the techniques and philosophy of effective supervision depend upon the circumstances that supervisors find themselves in. Thus, in some cases, the most effective approach may be scientific management, which systematically analyzes jobs and enforces work rules and procedures. However, in a different situation, supervisory effectiveness may call for the human relations approach or perhaps the application of one of the other principles.

Professor Fred Fiedler of the University of Washington has provided a breakthrough in this area. His

17 Wren, pp. 44-49
19 Luthans, p. 10.
experiments have shown the contingency approach to be conceptual, pragmatic, and realistic. Through his efforts, this approach is rapidly becoming the most popular approach in management. More and more, management is beginning to realize that education and an immense knowledge of people is necessary for managers to be successful.

This conceptual thought was brought out concisely in the annual meeting of the California Society of Nursing Service Administrators, by Doctor Stanley Williams, a hospital administrator. He spoke about management today, and how management of people is the same in any setting, only the language is different, the message is the same. This very concept has assisted in bringing nursing service management out of the dark ages. For years, nursing managers had the misconception that they were different, because they worked in the medical profession. I think this misconception was due in part to the subservient role that nurses have always played. It is rewarding to hear such rational advice coming from a hospital administrator.

Doctor Williams directed his lecture toward "why managers fail." His position is: managers fail because they do not assume the responsibility for their important conceptual and human relations roles. He lists three causes for managerial failure: inability to delegate, failure to become aware of organizational objectives, and failure to analyze problems, these are related to the conceptual role. Similarly, human relations dimensions of
evaluating people and cooperating with others is a major factor.\textsuperscript{20}

Doctor Williams documented his lecture with a recent survey on why managers fail. This survey was conducted among the supervisory personnel of one hundred major companies. The results of this survey are presented in table 1. This table further indicates that managers need to drop their apotheosis, and to concentrate on education and to acquiring a greater knowledge of people.

Organizational Concepts

Decentralization versus Centralization

Decentralization is the degree to which decision making is diffused throughout the organization. It is relative, for the degree of decentralization is larger when more important decisions affecting more functions are made at lower levels and with less supervision. There are several factors to consider when determining the optimum degree of decentralization for an organization. Top management needs a positive attitude toward decentralization and they need competent personnel to whom they can delegate authority. Peter F. Drucker, in his leading book "Managing

\textsuperscript{20}Stanley Williams, Administrative Management, from a seminar delivered at the annual meeting of The California Society of Nursing Service Administrators at Los Angeles, California, April 22, 1981. Permission to quote secured.
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Source: Stanley Williams, Administrative Management, From a Seminar delivered at the Annual Meeting of the California Society of Nursing Service Administrators at Los Angeles, California, April 22, 1981. Permission to Quote Secured.
For Results," applauds decentralization: "top management does not thereby become less important nor does its job become less demanding." "On the contrary, it has acquired a new and challenging dimension to its task: leading, directing, and motivating the knowledge people."

The number of people who need to interact to solve a problem should be considered. In general, the larger the organization, the greater is the number of complex decisions which must be made. They can overburden top management and delay decision making. Smaller, decentralized units reduce the number of decisions made by top management and invests this responsibility to the manager at the unit level. Moreover, agencies usually tend to be more centralized during their early, formative years. If the agency gradually expands from within, it is more likely to remain centralized. An organization which rapidly grows through acquisitions is more likely to be decentralized. Decentralization is more common in organizations with geographic dispersion of operations. Some functions lend themselves more readily to decentralization than do others. Production, marketing, and some purchasing may be readily decentralized. Finances, accounting, data processing of statistics, and purchase of capital equipment are likely to remain centralized.

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The profit center concept has developed from decentralization and has been quite popular since World War II. It is particularly characteristic of large organizations with multiple product lines. The organization is divided up into manageable units called profit centers. Each unit is self-contained and has its own management and its own staff. Each unit competes with others for profits which motivates managers to make decisions which will maximize profits and each manager has considerable freedom for making operational decisions. The profit center concept helps give meaning to decentralization by placing the responsibility for profit making on a number of managers instead of just management. Greenwood, in his book, "Managerial Decentralization," is in agreement with Drucker and many other authors on this subject. Greenwood uses the term, the principle of management by exception. (The principle of management by exception is the belief that all decisions should be made at the lowest possible level and that only decisions can be moved up a level if the lowest level did not have the ability, authority, knowledge, and so forth, to make the decisions. It ultimately means that decisions made by the president could not have been made at a lower level.)

This is decentralization in its finest form.

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The advantages of decentralization seem to outweigh the disadvantages. It increases morale and promotes interpersonal relationships. When people have a choice or voice in governance, they feel more important and are more willing to contribute. Increased motivation provides a feeling of individuality and freedom which encourages creativity and commits the individual to making the system successful. Decentralization fosters informality and democracy in management. It brings decision making closer to the action. Thus decisions may be more effective because people who know the situation and have to implement the decisions are the ones who make it. Because managers don't have to wait for approval from their superiors, flexibility is increased and reaction time is decreased. Since fewer people have to exchange information, communications are swift and effective. Coordination improves, especially for services, production with sales, and cost with income. Products or operations which are minor to the total production receive more adequate attention. Plans can be tried out on an experimental basis in one unit, modified, and proven before being used in other units. Risks of losses of personnel or facilities are dispersed.

Decentralization helps determine accountability. It makes weak management visible through semi-independent and often competitive divisions. It encourages effective utilization of human resources by developing managers be-
cause people learn best by doing. A management pool can be
developed which eases the problem of succession. There is
usually less conflict between top management and divisions.
Decentralization releases top management from the burden of
daily administration, freeing them for long-range planning,
objectives and policy development, and systems integration.

Several disadvantages can also result from decentra-
larization. An organization may not be large enough to merit
decentralization, or it may be difficult to divide the or-
ganization into self-contained operating units. Top admin-
istrators may not desire decentralization. They may feel
it would decrease their status or they may question the
abilities of people to whom they could delegate. They may
feel that most people prefer to be dependent upon others
and don't want decision making responsibilities. An in-
creased awareness of division consciousness may develop.
Divisions may become individualized and competitive to the
extent that they sacrifice the overall objectives for short
range profitability and work against the best interests of
the whole organization. Because of conflicts between
divisions, it may be difficult to obtain a majority vote
with resulting compromises. If the majority vote is de-
layed, it may come too late to be effective.

Decentralization involves increased costs. It re-
quires more managers and larger staffs. There may be under-
utilization of managers. Divisions may not adequately use
the specialists housed at headquarters and functions are likely to be duplicated by divisions and headquarters. Because decentralization develops managers, there are novice managers in the system who will make mistakes. Division managers may not inform top management of their problems. There are problems with control and non-uniform policies and some restrictions on autonomy remain. Even with decentralization, top management remains responsible for long-range objectives and goals, broad policies, selection of key executives, and approval of major capital expenditures.

Greenwood cites the clash of cultures or the old versus the new, as the major stumbling blocks for any kind of change in management styles: "the old-school" managers automatic reaction to situations were developed into habit patterns long before decentralization started. These people, usually found in the "power" positions of upper level management, were on one side of the cultural clash. The other side was comprised of the younger middle-management people, who were schooled in an entirely different area.23

Delegation

Delegation cannot be a reality, no matter what the organization charts and manuals claim, unless top and even middle management truly believe and practice delegation.

23Greenwood, p. 61.
If any of the top management feels insecure and cannot delegate, then decentralization stops at the top, no matter what is considered corporate policy. For it is only through delegation that decentralization can be accomplished. Delegation is the process of assigning work from one organizational level to another or from superior to subordinate. It maximizes the utilization of the talents of subordinates and uses latent abilities in personnel which contribute to their growth and development. Staff learn by doing. Their involvement tends to increase their motivation and their commitment to accomplish goals while freeing the manager to manage. This also reduces managerial costs.

Several conditions facilitate delegation. First, the manager needs to understand the concept of delegation and have a generally positive attitude toward people. He must overcome feelings of loss of prestige through delegation and develop a positive atmosphere for his subordinates. He should help achieve results through effective communications instead of by doing the job himself. Thus he concentrates on the accomplishment of overall goals and objectives rather than the day-to-day details.

Top management clarifies policies, goals, and objectives, and these are further developed by each succeeding lower lever. For example, top management sets the overall

\[24\text{Greenwood, p. 6.}\]
budget, but each department then works with its own budget. Specifying goals and objectives and directs personnel. While determining priorities and the use of resources. Management by objective promotes this.

Job descriptions provide a definition of the responsibility and authority involved with each position. Everything that must be done in order for the organization to meet its goals is part of the job for someone. Consequently, job descriptions are based on the functional needs of the agency and they clarify the responsibility of the individual's position and the objectives of the work.

Before writing job descriptions, management decides which assignments to delegate. Testing of employees to learn what they can and cannot do and providing the necessary training to help overcome many individuals' failures to do what is desired because they don't know how. The manager should be aware of the capabilities and characteristics of his subordinates. Staff are often asked to perform in areas for which they are not qualified and in which they are not interested. People tend to put off tasks they find unpleasant and to do them poorly. It is not necessary to delegate equally. By knowing individual capabilities, the manager can delegate according to the subordinates interests and abilities.

Job descriptions are not always advantageous in small or rapidly changing organizations. Staffs in such
agencies often assume different roles at different times. Generalization is more common than the specialization required in larger, more stable organizations. Some employees outperform the requirements of their job descriptions while others are not able to do some of the duties described. Job descriptions can be redefined according to the person's capability and the organizational needs. If a person is unable to handle the required duties, he may be transferred to another area, given further training, supplied with an assistant to supplement his weak areas, or fired. Luthans offers a viable alternative to the dismissal of an employee: He refers to it as "vestibule" training. Vestibule training had its beginning during World War II, and was used to train large groups of people to perform given jobs. Luthans relates this type of training to this particular situation: "today, vestibule training has been revitalized and is used for training workers who are disadvantaged educationally, economically, or physically."²⁵

Controls based on goals, rather than means, are important. The manager checks on how well the delegated responsibilities are being performed, and the subordinates know if they are meeting their responsibilities. Performance standards clarify how the supervisors measure achieve-

ment. These standards cover the quantity and the quality of work expected and the time allowed for its accomplishment. The standards should be broad enough to allow individuality. If the standards are perceived as reasonable and fair by both supervisor and subordinate, both will be happier at their jobs. Subordinates like their work to be noticed and appreciated. The supervisor meets their need for recognition and appreciation by having a general knowledge of what is happening, using an open-door policy, expressing willingness to give assistance and support, and taking a personal interest in their problems. A "snoopervisor" is not appreciated.

It is the supervisor's responsibility to assess the results of delegation. One of the most satisfactory ways of being aware of what is happening is by being among the subordinates. Formal and informal meetings, systems of reporting, quality control, and statistical sampling are other means. Although perceived as unpleasant, most subordinates accept inspection as necessary. However, they do not like unnecessary routines that disturb their work. Even though a person may receive satisfaction by knowing that he is doing a good job, having those efforts recognized by others is appreciated. Supervisors err if they do not give praise for work well done. People should also be rewarded for their continued contributions to the agency through raises and promotions. If subordinates err, they
should be corrected and the sooner the better. However, when subordinates participate in goal setting, when the emphasis is on the goal rather than on individual personalities, and when training is a continuous process, corrections which otherwise would have been made by the supervisor may be necessary, for the system encourages self-correction.

Assignment of responsibility, delegation of authority, and creation of accountability are the three concepts most often mentioned in relation to the delegation process. Responsibility denotes obligation. It refers to what must be done to complete a task and the obligation created by the assignment. The supervisor and subordinate must understand what activities the subordinate is responsible for, the results expected, and how performance is to be evaluated. The supervisor needs a clear idea of what he wants done before he can communicate that to others. To clarify them for himself, the supervisor may put his ideas in writing. He is then free to give individual instructions. Before the assignment of responsibility is complete, the subordinates must decide to accept the obligation.

Authority is the power to make final decisions and to give commands. The person to whom responsibility has been assigned needs the authority to direct the performance

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27 Marriner, p. 41.
of delegated duties. He needs authority of sufficient scope to include all related activities without frequent consultation with his superior. The granting of too little authority is a common problem. Organizational policies and procedures are often limiting, and sometimes the person may have little control over the actions of others.\textsuperscript{28}

The person with delegated authority performs for the supervisor. Although authority is delegated so that the subordinate can fulfill his responsibilities, the supervisor maintains control over the delegated authority and may recall it. Delegation of authority involves the subordinate's knowledge, abilities, skills, and potential contribution and the supervisor's guidance. During the initial phase of delegating authority, the subordinate presents his ideas and plans. The supervisor raises questions, explores alternatives, and helps identify potential problems and ways to prevent them. The mutual agreement is reached. The supervisor offers continuing support by providing staff, resources, and information needed by the subordinate for the completion of the delegated responsibility.

Accountability refers to liability. The subordinate incurs an obligation to complete work satisfactorily and appropriately utilize authority when he accepts delegated responsibility. He is accountable to his supervisor. The

\textsuperscript{28} Marriner, p. 41
supervisor is accountable for the performance of the task, 
the selection of the person to complete it, and both the 
subordinate's and his own performance. ²⁹

There are numerous reasons for underdelegating. The 
supervisor may think he can do the job quicker himself. He 
may resent interruptions to answer questions and the time it 
takes to check what has been done. He may get cooperation 
from other departments more easily than from subordinates or 
he may be unwilling to take risks for fear of being blamed 
for other's mistakes.

Some supervisors do not have confidence in their 
subordinates. They are afraid that their subordinates won't 
keep them adequately informed or may even outperform them. 
They may not trust them and complain that they lack training 
and sufficient experience. They may argue that their sub-
ordinates lack an understanding of the organizational ob-
jectives and are specialists without the general knowledge 
needed for problem solving. Subordinates, however, may al-
ready be too busy, and they expect higher wages if asked 
to do more.

A supervisor may like to do the work himself and 
feel that he can do it better. He receives personal recog-
nition and satisfaction from the work and prefers to do the

²⁹Marriner, p. 43.
real thing instead of just plan with others. This sort of person often expects perfection, considers himself indispensable, and desires to dominate. He is afraid of losing power and prestige and is aware that his poor operating procedures and practices may be exposed.

Subordinates have their own reasons for not accepting delegation. Some are dependent upon their supervisor and find it easier to "ask the boss." Others lack self-confidence in their own abilities, and fear failure and criticism which is often related to how mistakes have been handled. Emphasis on the mistake itself can be more threatening than using the situation as a learning experience.

Luthans feed-forward control is a relatively new concept of control, and is basically a preventive type of measure. The feed-forward theory is simply anticipating what you will need for a particular project. It is the what if something happens syndrome. In other words, you plan for the future and take the guesswork out of any project.  

Lack of guidelines, standards, and control mechanisms are problems. Duties are not always clearly defined, authority specified, or the necessary information and

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30 Luthans, p. 194.
resources readily available. Some subordinates are already overworked. The incentives may be inadequate and they do not want to perform work if their supervisor receives the credit. The feed-forward concept used properly, will alleviate much of this stress.

**Departmentalization**

"Departmentalization" refers to the methods used for establishing the division of labor within the work force and organizing any given level of the organizational structure. The basic premise of this principle is that the tasks and functions within organizations are extremely varied and complex. It follows that it would be virtually impossible for any single individual or department to perform at even minimum standards, every activity that is required.\(^{31}\)

Departmentalization results from span of management, division of work, and a need for cooperation. Its primary purpose is to subdivide the organizational structure so that managers can specialize within limited ranges of activity. The organization of the agency influences group behavior and the effectiveness of the group. The objectives of the agency can be met most easily if the group is properly organized. Two common types of departmentalization are input and output. The input, or process orientation, includes function, time, and simple numbers as bases for departmentalization while

\(^{31}\)Luthans, p. 115.
the output, or goal orientation, includes product, territory, and client divisions.

The input, or process-oriented structure, emphasizes specialization of skills. It reinforces professional skills by uniting people with similar expertise in the same department. It is possible for a professional to advance within his field of expertise instead of advancing through the administrative hierarchy. Unfortunately, the process-oriented structure emphasizes professional skills over organizational goals. Conflicts increase as communication and cooperation decrease. Input organization provides less favorable training for general administrators than does a goal-oriented structure.\(^\text{32}\)

Functional departmentation is perhaps the most widely utilized method. Here responsibilities and tasks which are directed toward achieving a common purpose are grouped together. Most organizations divide work along functional lines, such as production, personnel, marketing, finance, engineering, and public relations (in an industrial firm) or medical services, housekeeping, dietary services, nursing, pharmacy, and finance (in a general hospital).\(^\text{33}\)

Departmentalization by function, groups activities

\(^{32}\)A. Marriner, Organizational Concepts-Part 1, Supervisor Nurse, 1977, Vol. 8, No. 9, p. 43.

\(^{33}\)Luthans, p. 115.
according to similarity of skills or a group of tasks necessary to accomplish a goal. Logically simple and commonly used, it facilitates specialization which contributes to economic operations. It groups functions which can be performed by the same specialists with the same type of equipment and facilities. Less demand for one product may be counteracted by a greater demand for another product. Consequently, staff, equipment, and facilities will have more optimal utilization. The combination of administrative activities also is economical. Coordination is improved because it is more easily achieved as one manager is responsible for all related activities. The agency benefits from a few people with outstanding abilities, for only top management is able to coordinate the major functions.

Functional departmentation also has its disadvantages. As the size of the agency increases, centralization may become excessive, making effective control more difficult. The necessary additional organizational levels may slow down communications and delay decision making. It becomes more difficult to measure performance. Functional departmentation does not provide good training for general managers. They become expert in their particular function, have little opportunity to learn about the other functions, and may emphasize their previous function while

de-emphasizing others when they become general managers.

Time factors are another basis for organization. Acute care settings need coverage 24 hours a day, seven days a week, while preventive services may only need coverage for eight to twelve hours a day, for five to six days a week at the most.

The output goals structure emphasizes service to the client. It collects all the work for a project under one supervisor and reduces dependency on other units for needed resources. This allows considerable autonomy, and the client, the workers, and the goals are readily identified. Systems and procedures are highly standardized.

Unfortunately, these units may stress their own goals while de-emphasizing company goals. Duplication of equipment and services may develop. Equipment may not be fully utilized or smaller scale equipment may be less effective. The groupings of various skills into one unit can reduce the expertise as professional reinforcement is weakened.

Departmentation by territories is particularly useful for physically dispersed activities where branches provide similar services at each location. This method serves the local clients with greatest efficiency. Supervisors consider local circumstances which might be overlooked by a central manager. It uses local people who are familiar with local conditions. It reduces delivery time and may
reduce transportation costs related to raw materials and finished products. It is particularly useful for production and sales and when perishability is a problem. However, financial management works best if centralized.35

Departmentation by client makes sense when service is important and the welfare of the client is of primary interest. For example, an out-patient service may have obstetric, pediatric, and adolescent clinics. Clinics may be open nights and weekends for working people. Schools of nursing may offer night classes for working students. This better utilizes facilities and is more satisfactory to the client. However, pressure for special consideration and treatment of specific groups may exist and coordination problems increase.

The Changing Nature of the Work Force

A few decades ago, the stereotype of the working person was a white male about 35 years old. Today, if anything, there is no typical worker. Workers may be female, black, Oriental, Spanish speaking, handicapped, under 21, or over sixty-five. To an extent, of course, the increased participation of these minority groups in the work force is a function of government legislation. Yet it must be remembered that the laws really reflect the changes in our society. For example, many households cannot secure the

35 Marriner, p. 46.
things they want unless both the husband and the wife work. This has forced many former housewives into the work place, and they are rightfully demanding equal opportunity. Now, with the protection of the law, they are beginning to compete with men on an equal basis for many jobs that were traditionally "male only." Similarly, many other minority work-force participants are now competing for traditional "white male only" jobs.

While the merits of these changes in the composition and accompanying values of the work force are still debated, the trend is clear and definite. There will be much more participation from all types of people in the work force of the future.

To meet these changes, Timmreck and Randall, in their article, Motivation, Management and the Supervisory Nurse, indicate that job enrichment and job enlargement are two extremely important concepts often overlooked by managers in health care settings. Job enrichment relates to person growth, involving such factors as: achievement, recognition, responsibility, and advancement. In other words, a vertical movement in your profession. Conversely, job enlargement is a horizontal movement which increase the scope of the job, and creates a diverse and challenging

opportunity for the worker.\textsuperscript{37}

Moreover, to experience personal growth, one has to be allowed to achieve through tasks that are individually meaningful. Personal growth depends upon achievement which requires a task to be done, a goal to be reached. Job enrichment and job enlargement are factors that can provide stimulation and an experience of psychological meaningfulness. Through these factors, a health care worker could be motivated not only toward personal growth, but also toward caring and providing quality care.

Timmreck and Randall further relate that if a manager provides the opportunity to achieve, to gain recognition, to experience success by accomplishment of the work itself, he is a facilitator of motivation. Moreover, motivation occurs when motivation factors are understood, promoted, and given latitude to function.\textsuperscript{38}

Congruently, F.E. Fiedler provides an excellent vehicle for management and motivation, through his contingency model. The contingency model says that appropriate supervisory strategies are a function of many different factors: (1) characteristics of the supervisor, (2) characteristics of the subordinates, (3) the nature of the work, (4) organizational structure and climate, and (5) even the

\textsuperscript{37}Timmreck and Randall, pp. 28-31.

\textsuperscript{38}Ibid.
external environment of the organization.  

This theory presents a departure from previous thinking. It views the leadership situation as an arena in which the leader seeks to satisfy his own as well as the organization's goals. The degree to which he is successful, will of course depend upon the control and influence at his disposal.

One of the greatest virtues of Fiedler's findings is that they avoid a polarizing either-or-model. This theory provides for a range in leadership behavior, varying according to the practical situation the manager faces. It thereby circumvents the pitfall of rigidity, and of adherence to a given approach.

Therefore, it becomes axiomatic that the most valuable gift to a leader is his efforts to understand human nature and thereby gain a better understanding of himself. Since human beings respond most deeply to other human beings, there should be something in the leader which differentiates him from the crowd and marks him as unique. At the same time, whatever it is, it must touch a responsive chord in other people. However this style is expressed, it must be a visible manifestation of a unique personality. Whatever the total personality of the leader

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may be, some attribute or attributes must have sufficient force to project downward into his organization. The dull efficiency of the machine contains no element of style.
Chapter 3

RESEARCH STUDY DESIGN

Introduction

What is decentralization? Decentralization is defined here as breaking down the conventional nursing hierarchy into a number of smaller nursing departments, such as: the Emergency Room Department, the Maternity Nursing Department, South 2 Surgical Nursing Department, D-2 Medical Nursing Department, South 6 Ortho Nursing Department, and the Pediatric Nursing Department. Few hospital departments are as large as the larger "nursing units." Therefore, according to size alone, each unit or ward should be recognized as a department on the same level as the ancillary services such as X-ray, Laboratory, and Housekeeping.

Although there are numerous examples and studies recited in the literature, there is no mention of any studies in progress or completed in the hospital setting. This places my research study in a unique position. From this stance, these facts make my thesis even more exciting.

Review of Literature

The use of decentralization and participation as a management approach has interested researchers for some time. Several studies have been done which point up its effectiveness. Probably the best known of these is the Hawthorne
studies at Western Electric. Even though the Hawthorne studies exhibited a "serendipity effect," the results of the studies do indicate that participation was a significant factor in improving both productivity and morale.

More recent studies include the one on long term effects in the TVA by M. Patchen, 1970, Participation, Achievement, and Involvement on the Job.40 His long term study shows that participation continues to be moderately successful. Most improvements have not been dramatic but they have been steady.

Another recent study was made by Bragg and Andrews of laundry workers in a hospital. Three groups were set-up. In two groups, no participation was practiced; in the other group, much participation was practiced. At the end of fourteen months, absences were reduced by 50 percent and productivity had increased by almost 50 percent in the participation group. In the two comparison groups with no participation, productivity had actually declined slightly during the study! Furthermore, the percent of favorable attitudes toward participation increased from 62 percent to 90 percent in the participatory group.41


The Problem

Hospitals have experienced unacceptable turnover rates in personnel for the past decade. This turnover rate is primarily in the nursing service, more specifically, the Registered Nurse.

Although nurses always have assumed responsibility for life and death matters; they traditionally have little direct control in either the administrative aspects of patient care or the formation of policies that affect the practice of nursing in hospitals.

Because of the dynamic environment in which our nation's hospitals currently operate, it is vital for nurses in management positions to have both the responsibility and the accountability for programs that ensure high quality patient care. One way for nurses to increase their control over patient care is to decentralize the nursing organizational structure. Thus each nursing unit becomes an autonomous department, and each nurse in that department has a voice in determining what constitutes quality care and in what administrative procedures will be developed. When this occurs, each nurse's accountability increases.

Turnover of nursing personnel in hospitals has been studied immensely in the past. There has been a vast number of remedial solutions tried, and most of them have resulted

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in dismal failure. These remedial solutions have all been based on extrinsic awards, and ignoring the intrinsic motivators. Decentralization of nursing service management just may be the intrinsic motivator that has been missing and is possibly a portion of the answer to this dilemma.

Kaye and Krol agree with this assessment in their article for *Supervisor Nurse, The Nursing Shortage*. The author's relate of a recent survey of 3,700 Registered Nurses, published in the July issue of RN Magazine, indicate that only 10.8 percent of its nurse respondents were very satisfied with their job.43

Generally speaking, the problem, of which the shortage is only a symptom, must be re-evaluated. New long-term solutions to the problem must be sought in a spirit of cooperation among hospital administrators, nursing administrators, physicians, the government and nurses themselves. Further, if the shortage is to be resolved, a redirection of concerns which lie with a restructure of the management system, which will increase retention at a given hospital and within the profession.44

Congruently, the objective of this research study is to determine if there is a relationship between


44 Ibid.
decentralization of nursing service management and nursing service personnel turnover in moderate sized hospitals.

Theory

Decentralization epitomizes the philosophy of participative management: decision making is pushed downward on the organizational ladder. Thus, many decisions formerly made in the nursing office at the administrative level are made instead in each nursing department.45

Anthony defines participative management, in his book "Participative Management," as the process of involving subordinates in the decision-making process. It stresses active involvement of the people. It uses their expertise and creativity in solving important managerial problems. It rests on the concept of "shared authority" which holds that managers share their managerial authority with their subordinates. Finally, it attempts to actually involve subordinates in the important decision processes of the organization.46


Using this theory, managers do not give up or diminish their decision-making authority when they practice participatory management; they share it. The loss of decision-making authority is probably one of the greatest fears of managers and, consequently, is a reason why they do not practice participatory management. How often have you heard this or a similar statement? "I'll be damned if I'll let my people make the decisions when I'm the one who is responsible for this operation. If it's a bad decision, my head will roll, not theirs."

Managers can share their authority with subordinates by delegating a portion of it for a specific set of job duties or functions. They then can hold subordinates accountable for the judicious exercise of this delegated authority over the assigned duties or functions. It is up to the subordinates to exercise responsibility to carry out these duties or functions to the best of their abilities and to be willing to be held accountable for their performance.

Under this approach managers must be skilled in good interpersonal relations. They must understand people. They must be good communicators. They need to be managers of conflict so that disagreements are resolved and conflict is channeled into constructive endeavors. They must know how to bring out the best in a group, how to capitalize on each individual's strengths, and to overcome each person's weaknesses. They need to know how to compromise in such a
manner that group and organizational expectations are satisfied. Williams epitomizes this theory in his chapter on quality versus quantity, from his leading book, Participative Management: Concepts, Theory, and Implementation.\textsuperscript{47}

It is additionally theorized, if the individual nurses are allowed to participate, not only in the planning patient care, but also in the destiny of their work related situation; they will collect the intrinsic awards that will provide a stable relationship between them and the organization.

The reasonability of this statement is based in part on my years of experience in management, and in part on my knowledge of people. For it has always been my theory: "if you treat people fair, the majority will respond in a productive manner." It is further theorized that decentralization will promote this assumption with great vigor.

C.L. Cox enhances this view in her article for Supervisor Nurse, "Decentralization: Uniting Authority and Responsibility." She discusses the program at St. Joseph's Hospital in Stockton, California, each nursing unit now is defined as a department, and each head nurse has the title of department head with the full authority to administer that department 24 hours a day. Each department head appoints first line supervisors (formerly called assistant

\textsuperscript{47}E. Williams (ed), Participative Management: Concept, Theory, and Implementation, Atlanta: Georgia State University, 1967, pp. 43-53.
head nurses and charge nurses) who report directly to them. The department head and first line supervisors now form an autonomous department.48

HYPOTHESES

Hypothesis one: The management concept of decentralization of nursing service management will cause a decrease in nursing service personnel turnover in moderate sized hospitals.

Hypothesis two: Decentralization of nursing service management does have a positive effect on job enrichment and job enlargement.

Definitions

Decentralization is the degree to which decision making is diffused throughout the organization.

Nursing service is the 24-hour provider of direct patient care, under the direction of Registered Nurses, as specified in the Nurse Practice Act of California.

Management has already been defined in the review of the literature.

Nursing personnel are personnel that are licensed to practice nursing in the State of California by the Board of Registered Nursing, Department of Consumer Affairs.

Moderate sized hospitals are those hospitals with licensed bed capacities of between 200 and 500 beds. Hospitals are those business establishments that provide 24-hour patient care in house and that meet the state licensure requirements for status as a hospital.

Job enrichment and job enlargement have already been defined in the review of the literature.

Test Variables

The independent variable being studied is the decentralization of the nursing service management.

The dependent variable is some characteristics of nursing service personnel. This is the variable that is under investigation for this study.

Significance of Hypotheses

If the first hypothesis can be verified, and there is a relationship between decentralization of nursing service management and nursing service personnel turnover, then there will have been significant progress made toward solving a major problem for hospitals.

If this hypothesis can be validated, then a major step has been taken for the community, the area, the region, and the State of California. For nursing personnel turnover has been deleterious to all hospitals, and is an accumulative reason why health costs continue to rise.

The second hypothesis may well be the precursor to
the success of hypothesis number one. Why? Because these attributes offer encouragement and provide the intrinsic awards necessary for the maturation and motivation of the entire work force. The acceptance of this hypothesis will most definitely increase the validity of this study. Moreover, the acceptance will portray McGregor's Theory Y concept in its most eloquent form.

Null Hypotheses

Hypothesis one: There is no relationship between decentralization of nursing service management and nursing service personnel turnover in moderate sized hospitals.

Hypothesis two: There is no positive effect on job enrichment or job enlargement, as a result of decentralization.

If these null hypotheses are accepted, then my study will show no change in either nursing service personnel turnover, or job enrichment and job enlargement.

Rival Hypotheses

These problems are well documented, concerning the work environment in moderate sized hospitals in California. Therefore, no rival hypotheses will be used in this research. Social psychological variables will be controlled and taken into account in the alternate hypothesis section.

Alternate Hypothesis

There is a decrease in nursing service personnel turnover, and, a positive effect on job enrichment and on job
enlargement, but it is due to other factors such as:

1. The "Hawthorne Effect" which says that people will respond to either negative or positive attention in a positive manner. This is a well known phenomenon in human relations style of leadership.

2. The social psychological variables such as: worker satisfaction, increased motivation due to a feeling of individuality and freedom, informality and increased communication, participation in management, flexibility, (freedom of choice concerning aspects of work schedule and work assignment. In other words, employees can work an assignment out between themselves) decrease in schism, and interpersonal relationships.

Although these independent variables are a part of the whole, it is worthwhile to test them during this study. A pre-tested survey-questionnaire will contain these variables and a Likert scale will be used to measure them. I feel certain that if the hypotheses are accepted, it will be reflected by some if not all of these variables. However, by accounting for them, it will be possible and will add to the validity of this study; to identify each one and ascertain the degree of its participation.

3. The extrinsic awards, such as: promotion, pay increases, personal recognition, (title changes) and needed days off.

These independent variables too are a part of the
whole and will be tested during the study by use of a nominal scale. It can be argued that these variables are a part of the hypotheses. However, their importance needs to be ascertained and accounted for.

4. High unemployment, due to a recession in the area or region.

This variable could be difficult to test for. If the recession is severe, causing industrial worker layoffs, then the test would be easy. On the other hand, a mild recession affecting only certain groups would increase the difficulty in determining the cause and effect. Most nurses may have financial obligations toward their own family and this would enhance the maintaining of their employment. Individual opinion would be the only test possible.

5. Chronic disasters, such as war, plague, or some unknown quantity that would increase the patient load of hospitals significantly.

This variable would probably be obvious and no test would be necessary. It is mentioned here only to cover all facets and ensure validity of the study.

The possibility is present that additional variables not accounted for could have an effect on this research. However, I believe that all factors and areas have been identified.
Study Methods and Data Collection

Population

The population for this study will come from moderate sized hospitals as defined previously. These hospitals are located in the State of California, and will be limited to the State of California.

Sample Selection

At this time, the State of California, Office of Statewide Health Planning and Development, Annual Report of Hospitals, 1979, lists one hundred and forty-eight hospitals in California that meet the requirements for this study. The randomization method of selection will be utilized. Using this method, the computation formula requires slightly less than 20 units of the population to be used. However, to increase the validity of the study, I will use 30 units of the population. This in essence should compensate for any sampling error, and further enhance both the internal and external validity of this study.

Acquisition of Data

The sample frame of hospitals will be contacted by the mailing out of a survey-questionnaire, complete with a cover letter, explaining the reason for and making an appeal for their cooperation in compiling data for this study. Furthermore, I have made a personal plea to my colleagues in my professional organization, the California Society of
Nursing Service Administrators. This is a statewide organization and every hospital has a representative in the society. For this is the crux of my study, and without cooperation, accurate data collection will be impossible.

Possible Findings

The results of all the survey-questionnaires will be accumulated in the analysis chapter. From these results, the test hypotheses will either be accepted or rejected.

Finding No. 1. There is no significant decrease in nursing service personnel turnover, and no positive effect noted in either job enrichment or job enlargement. If this result is obtained, the null hypotheses will be accepted and the test hypotheses rejected.

Finding No. 2. There is a continued decrease in personnel turnover, and a positive effect noted in job enrichment and job enlargement. If these results are obtained throughout the research, the first alternate hypothesis can be rejected. If there is a change for a short period of time, then the rate returns to the previous level, then the first alternate hypothesis will be accepted and the test hypotheses will be rejected.

Finding No. 3. There is a significant decrease in nursing service personnel turnover. However, relevant official information reveals that this particular area was under hardship of high unemployment. If this phenomena is noted, then further testing of the test hypotheses is necessary.
Finding No. 4. If alternate hypothesis number five was present, the research would have to be abandoned.

Conclusion and Critical Consideration

There is no record of any comprehensive research having been accomplished in the State of California in this area of the Health Field. I feel that this is a well planned and much overdue research study. If my test hypotheses can be accepted, then this is one giant step in solving a perplexing problem that has eluded the experts for years. This could turn out to be an economical bonanza for not only the hospital industry, but also the people of California. I believe that my research will prove definitely in favor of my test hypotheses. The data and methods used will make the validity easy to verify. In short, this research study is well planned, designed, and replication will be easy to accomplish.
Chapter 4

ANALYSIS

Introduction

The major focus of this thesis is the study of the relationship between decentralization of nursing service management and, nursing service personnel retention. However, this aspect of the survey-questionnaire was not placed in focus for the following reason: the subject of nursing service personnel retention has been highly studied and researched. This is evident from the volumes of literature written in the recent past, and the nationwide appeal on television by the American Nurses Association. Congruently, this appeal further emphasizes just how paramount the problem of nursing service personnel retention has become.

Justifiably, decentralization is not a panacea, but a vehicle to provide both job enrichment and job enlargement. It is through these two parameters that stability of the work force can be made possible, and therefore, personnel retention can be increased.

Demographic Data

Response to the survey has been both encouraging and discouraging. Encouraging from the aspect of completeness and comments made, and discouraging from the aspect of a
66.67 percent return rate. Thirty survey-questionnaires were mailed out and twenty were received in return. Of the twenty received, two hospitals indicated no decentralization, leaving eighteen for analysis of data. However, the eighteen responses provides an adequate sample frame for a valid study.

The length of time of decentralization coincides with the newness of the concept. Eight hospitals have been decentralized for two years, with the others indicating decentralization: two hospitals for one year, three hospitals for three years, three hospitals for four years, and two hospitals for over four years. However, such a distribution of demographic data provides for an excellent comparison between the old and the new.

The degree of decentralization and the reason for, are both impressive: 77.7 percent of the reporting hospitals indicate they are completely decentralized, (down to the unit level, or the lowest level possible) with 61.1 percent indicating worker satisfaction as the reason for decentralization. Finally, hospital administration and nursing administration make up 77.7 percent of the input for this concept of management.

These statistics reveal the perspicacity, sagacity, and progressiveness of the present day hospital administration. This insight and shrewdness epitomizes participatory management, and reflects the needs of the present generation
of nurses.

Congruently, there is a management caveat to be observed: "decentralization cannot succeed without the full support of administration." Moreover, the testimony to the success of decentralization in U.S. manufacturing firms is all around us. Decentralization works not only because it is a powerful concept, but also because administrators work at making it work. The result is, indeed, the best of two worlds: multiple centers of initiative, and a spectrum of decision-making processes that are used selectively to ensure that the benefits from interdependency are not lost.

**Positive Attributes of Decentralization**

The quality dimension of the theory of decentralization in hospitals has not been fully developed, but its outlines are prevalent in our own Human Resources Model and McGregor's Theory Y framework. In his pragmatic book, The Professional Manager, McGregor stressed heavily the importance of managers' basic attitudes and assumptions about their subordinates. In this frame, he argued that a range of possible behaviors are appropriate under Theory Y or Human Resources assumptions, a manager could and should take into account a variety of situational and personality

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factors in deciding, among other things, when and how to consult with them. Extending this reasoning, the nature and quality of decentralization employed by such an organization, would presumably be deeper and more meaningful, which would be reflected in high levels of subordinate satisfaction and performance.

The bulk of my findings, particularly as illustrated in Table 2, thus appear to support this theory. Every category in Table 2 indicates an increase over previous types of management systems. Of particular emphasis is the categories of personnel retention and conflict (schism). Respectively, they show a 83.3 percent increase, and a 77.7 percent decrease. This is particularly significant in view of the relatively short period of time that most of these hospitals have utilized the management concept of decentralization. In part, this does establish the fact that there is a relationship between decentralization of nursing service management, and personnel retention. Congruently, the fact that conflict has decreased, enhances personnel development and promotes the viability of a stable work force. Moreover, both the employee and the organization alike will experience both efficiency and effectiveness.

Furthermore, the congruous nature of Table 2 exemplifies human needs. In the United States and in most

\[\text{McGregor, p. 80.}\]
Table 2
Positive Attributes of Decentralization
Questionnaire Results

<table>
<thead>
<tr>
<th>Conditions and Practices</th>
<th>Increased</th>
<th>Decreased</th>
<th>No Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Morale Among Workers</td>
<td>17</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>2. Job Satisfaction</td>
<td>16</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>3. Democracy in Management</td>
<td>15</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>4. Feeling of Self Governance</td>
<td>15</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>5. Motivation Among Managers</td>
<td>15</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>6. Motivation Among Workers</td>
<td>12</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>7. Communications</td>
<td>13</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8. Flexibility Among Managers</td>
<td>13</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>9. Flexibility Among Workers</td>
<td>13</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>10. Coordination</td>
<td>10</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>11. Accountability</td>
<td>13</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>12. Personnel Retention</td>
<td>15</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>13. Conflict (schism)</td>
<td>1</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>14. Personnel Development</td>
<td>15</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>15. Individuality</td>
<td>15</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>16. Effective Decisions</td>
<td>14</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>17. Competition</td>
<td>10</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>18. Effective Planning</td>
<td>15</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

developed countries, most people can satisfy their lower order needs fairly easily. Consequently, much of what people
do in these countries is aimed at satisfying higher order needs. The implication for administrators; therefore, is to provide incentives that allow individuals to satisfy higher order needs.

The flagrant findings in Table 2 indicates the sagacity of the positive attributes of decentralization for people to satisfy needs through wants. Wants are culturally conditioned ways to satisfy needs. For example, I have a need for food, and I want a hamburger. Or, I have a need for status, and I want a new Lincoln Continental. Administration should provide means for employees to satisfy their needs by providing them with appropriate wants. When this is done, these wants will be viewed as incentives by employees. This will result in a stable and productive work force.

This category supplies many of the appropriate wants of most employees, the need to participate. This is indeed an incentive, for the opportunity to participate in decision making helps the employee achieve ego satisfaction and self-actualization, the two highest needs in Maslow's hierarchy of needs.

Apparently, the hospitals in this study have concentrated on, and provided their staff with these incentives. For the entire table of results indicate in favor of decentralization as the management concept most effective in this area.
Aside from personnel retention and conflict, effective decisions and effective planning seem to be the crux of this category. Why? Because in order to deal with the dynamic environment of modern day hospitals, the organization needs to make decisions quickly so that it can respond effectively to all opportunities. An organization that has centralized decision making will find that it cannot respond quickly enough to changes in this type of environment. Therefore, the less centralized it should be. In order to effectuate effective decisions, effective planning is a must, and its use will provide the vehicle for additional opportunities in this arena of endeavor.

The exemplification of this category by Table 2 indicates the priority that the hospitals in this study have placed upon these human needs. Thus, we can conclude that from an organizational, as well as a human needs point of view, decentralization is the management concept required of today and the future, if hospitals are to operate effectively and efficiently.

Negative Attributes of Decentralization

This category deals mainly with organizational policies and design, rather than people, attitudes, or beliefs. As such, it then becomes easier to criticize; because this is the authority structure. Anthony refers to this as the traditional organization in his leading book, Participative
Management. He argues that the authority structure often operates to hinder effective use of participation. Managers in positions of authority sometimes act in an autocratic fashion because they feel that's what's expected of them since "they're the boss." Furthermore, being the boss reflects the ways and means of the traditional organization, and identifies their position as managers.\textsuperscript{51}

Some organizations believe in very detailed and comprehensive policy and procedures established to cover any conceivable situation which might arise. Their policy manuals are quite thick and managers are very fond of quoting policy as a reason to reject a new idea or a new approach. Never mind what it was intended for or why it was originally formulated in the first place. The point is it's policy and because it is policy, it is inviolate.

This philosophy should then be axiomatic in the reporting hospitals of this study. Wrong! The results of the survey-questionnaire, as shown in Table 3 refutes the standard or traditional organizational methods. Apparently these organizations have made a commitment to the management concept of decentralization.

Although not decisive, Table 3 does indicate a change from the traditional organization as described by

Anthony. For example: increased operational costs and negative attitudes of administrators only drew three "yes" responses from the reporting hospitals; in contrast to ten "no" responses and four reporting "no change." Similarly, the findings under utilization of managers is in contrast to the traditional, with five in the yes column, ten in the no column, and three reporting no change.

However, the negative attribute concerning policies does conform somewhat to Anthony's traditional organization. Ten hospitals reported a duplication and non-uniformity of their policies. With five and seven reporting respectively of the non-existence of this negative attribute.

Novice manager errors is the only attribute in this category that clearly shows up as a barrier to decentralization. However, when analyzed, this finding becomes congruent with the management concept of decentralization. For now managers take on a new role, which is expanded and more complex than their "comfortable" old position. In time, this barrier will change; new managers will soon become experienced managers, dexterous and proud of their new role.

Evidently, what we are seeing in the results of this category is the transition period into a new management concept. With the exception of novice managerial errors, the results indicate that the longer the time of decentralization, the more "no" responses. Conversely, the shorter the time of decentralization, the more "yes" responses. Finally,
Table 3
Negative Attributes of Decentralization
Questionnaire Results

<table>
<thead>
<tr>
<th>Conditions and Practices</th>
<th>Yes</th>
<th>No</th>
<th>No Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increased Operational Cost</td>
<td>4</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>2. Negative Attitude of Administrators</td>
<td>4</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>3. Division Competitiveness</td>
<td>10</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>4. Conflicts Between Divisions</td>
<td>5</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>5. Novice Manager Errors</td>
<td>15</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>6. Duplication of Policies</td>
<td>10</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>7. Non-Uniform Policies</td>
<td>10</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>8. Underutilization of Managers</td>
<td>5</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>

the results in this category are inconclusive for establishing, either an acceptance or rejection of the hypotheses.

Concept of Delegation

In decentralization, profit center managers must have a sense of their own autonomy for initiating actions in order to fulfill their responsibilities. Thus, in addition to gathering data about typical profit center managers' functional responsibilities, I sought to determine their perceived autonomy. For autonomy, is an ephemeral concept, primarily because it is dynamic, it ebbs and flows over time.
Concordantly, in order to attain autonomy, a manager must comprehend the concept of delegation. For if a manager feels insecure about delegating, then he is facing a great barrier to his own autonomy. Moreover, a manager must overcome any feelings of loss of prestige and develop a positive attitude toward his subordinates. He should strive for effective results through open communications and not by doing the job himself. Decentralization offers an excellent vehicle for the accomplishment of these goals. Once the concept of delegation is accepted, then, autonomy is a realized goal.

The results of this category are illustrated in Table 4. These results present a dichotomy for analysis. Those managers that understand the concept of delegation, utilize effective communications, concentrate on goals, delegate according to responsibility, and delegate according to abilities and interest of their subordinates; all come from hospitals that have been decentralized for periods exceeding two years. Conversely, the less experience that managers possess, the less delegation and understanding of delegation is expressed. In reality, this phenomenon is understandable, for these managers have taken on a new role, and change is often extremely difficult and painful. Anthony deems this theory laudable in his leading and effective book on Participative Management. He argues that this milieu is not brought about overnight, but it sometimes
Table 4  
Concept of Delegation  
Questionnaire Results

<table>
<thead>
<tr>
<th>Conditions and Practices</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Most Managers Understand the Concept of Delegation</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>2. Most Managers Utilize Effective Communication</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>3. Most Managers Concentrate on Goals</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>4. Each Department Works With Its Own Budget</td>
<td>18</td>
<td>0</td>
</tr>
<tr>
<td>5. Job Descriptions are Clear and Concise</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>6. In-Service Training is Used Effectively</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>7. Managers Delegate According to the Abilities and Interests of the Employee</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>8. Job Descriptions are Flexible and Brought Up-to-date as Job Knowledge Changes</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>9. Performance Standards are Clear and Concise</td>
<td>14</td>
<td>4</td>
</tr>
<tr>
<td>10. Recognition is Frequently Offered Through Praise, Raises, and Promotion</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>11. Authority is Delegated along with Responsibility</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>12. Accountability is Enforced at All Times</td>
<td>13</td>
<td>5</td>
</tr>
</tbody>
</table>

takes months and even years to accomplish.  

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Further analysis of this category indicates a thorough effort into planning and the implementation of training, knowledge changes, standards, recognition, budget, job descriptions, and accountability. The hospitals reporting a "yes" response to these management practices are obviously pro-decentralization. A response such as this, is indeed heartening, and indicates the dedication and determination of the top level management of these organizations. As mentioned before, the success or failure of decentralization and participative management depends upon the support of both the Hospital Administrator, and the Nursing Service Administrator.

Thus, from the evidence presented by this survey, it can be argued that decentralization does provide the vehicle for: "quality decisions," resulting from group activity in the problem solving process; "improved patient care," since employees are involved in the decision-making process, they should be more committed to the results; "improved morale and job satisfaction" should result from meaningful participation in the operation of the organization. However, it should also be recognized that not all employees will find this management concept enjoyable. Some may find it too threatening and time consuming. Yes, the majority of employees should feel gratification from the fact that they are involved as an integral part of the organization. Also "tardiness," "turn over," and "absences" will decline as a
result of higher job satisfaction, a feeling of acceptance, and a commitment to the organization through self governance.

The above attributes are further enhanced by the results of the final two questions asked on the survey-questionnaire: has your hospital reached its optimum degree of decentralization? And, do you advocate and support decentralization as a progressive method of management for larger hospitals?

The vast majority replied in the affirmative to both of these questions. Sixteen hospitals responded "no" to the first question, with fifteen hospitals responding "yes" to the second question. These responses further affirm their own dedication to the progressive management concept of decentralization.

Summary: The responses to this survey-questionnaire indicate eloquently, the progress being made in today's modern hospital system. Although not conclusive, the results do indicate that a change in nursing service management is in progress.

The comments made by several administrators further emphasize this point: "your questionnaire loudly reflects the 'Theory Y' concept, for if you treat people as mature adults, then they will respond in a positive manner and not disappoint you;" "your questionnaire shows depth and permeates into the problem thoroughly, very interesting;"
"I am a strong advocate of this management concept, and I would appreciate knowing the results of your survey;" in fact, the last comment author extended a personal invitation to visit and review their system at any time.
Chapter 5

DISCUSSION

This thesis has attempted to bring together some of the evidence that bears directly on the question of decentralization of nursing service management in moderate sized hospitals. With this evidence, the attempt has been made to develop a theory that will ultimately capture and "explain" some of the important aspects of what is observed in practice; suggest the relevant questions that need to be asked about decentralization; and give those who work in these organizations some additional sensitivity to their environment.

Pragmatically, this thesis has delved into, explored, and explained decentralization of nursing service management, and its application to moderate sized hospitals. Through this research, two separate yet intrically associated questions were proposed.

The first hypothesis, which is concerned with the problem of nursing service personnel retention, cannot be accepted. Although, the evidence presented by the hospitals responding is overwhelmingly agreeable. The length of time of decentralization of most of the hospitals has not been of sufficient time to formulate a candid answer. I feel that a future study is needed in this area to unequivocally clarify what the present trend is indicating.
The second hypothesis can be accepted. A sagacious examination reveals that job enrichment and job enlargement are both thoroughly documented throughout the survey-questionnaire. Moreover, these attributes have many more devices for determination than personnel retention. Furthermore, they are both intrinsically associated with job enrichment and job enlargement, producing the intrinsic awards necessary to promote personnel retention. Based on this evidence, I believe that further study will impart the knowledge that decentralization of nursing service management does increase nursing service personnel retention.

Concordantly, one area of concern to management that has not been completely discussed is that of leadership. I have talked about management and managers, and the deficiencies of both; however, this important aspect of organizational life does merit a more in-depth examination.

LEADERSHIP

Introduction

From the volume and variety of writings on leadership, the large number of leadership training programs, and the persisting interests of academicians and practitioners, it is clear that leadership is both an important and complex phenomenon, important because of the presumed impact on organizational performance and complex because of its continued resistance to clear-cut prescriptions. More-
over, this is another organizational concept that has been vastly researched, and obviously is not completely understood.

In the most fundamental sense, the supervisory role is to mobilize human and material resources in the accomplishment of a task. The human aspect of this activity is usually considered under the topic of leadership, an issue about which most people hold strong assumptions. Based on these normative leadership assumptions, individuals feel that they know how a supervisor ought to think and behave as he interacts with his subordinates.

**Effective Leadership**

Never before in the history of nursing has the demand for highly knowledgeable, politically astute, and skilled leaders been so apparent. There is a critical shortage of nursing administrators with the sharp political, psychological, and social management skills needed to cope with what is, in effect, a new order of phenomena. Social forces and the expectations of leadership have changed considerably in the last decade because of technological advances, changes in social structures, shifts in moral-ethical values, and differences in the psychopolitical strategies of management. As a result of these and other forces, the quantity and quality of mid- and top-level leaders is not sufficient to handle the complex problems of nursing education and service. Of crucial
importance, this shortage diminishes our ability to deal with professional issues at local, regional, and national levels. It is, therefore, imperative to recognize this professional problem and to take steps to resolve it.

Nursing leaders need considerable knowledge and skill in politics, economics, social policy, normative values, and in management strategies and processes. They must have strong egos, a positive sense of personal identity, and a determination to preserve desirable professional values. Functioning in most large and complex institutions, passive and non-aggressive nurse leaders generally have a low survival rate. In fact, such leaders tend to impede rather than enhance nursing's posture. It often takes diligent effort by a strong leader to overcome the effects of such passivity.

Today, nothing seems to be simple. Most problems are extremely complex, diverse and weighty. For example, nurse leaders are dealing with such problems and issues as professional rights and autonomy, financing nursing programs, political pressures related to space, staffing, and other resources, minority rights, interprofessional competition, and subcultural nursing values in relation to other professional values. These and many other problems challenge the most humanistic, sensitive, and skilled leaders. They seek answers to such questions as: What is the survival rate of leaders in complex social institutions? What
leadership qualities seem to be effective? What knowledge and skills are essential? What factors contribute to changes in leadership styles over time? What influences leaders to remain in or leave their administrative posts?

Another factor related to the crisis in nursing leadership is the prevailing negative sociocultural attitude toward authority, management and leadership. In the American culture, it is no secret that leadership and authority are generally viewed with distrust, doubt, and skepticism. High-level leaders or administrators are often perceived as threats to such individual rights as freedom, autonomy, and individuality. As noted in the review of the literature, the anti-establishment theme is quite prevalent, particularly among our youth. I see a general fragmentation of leadership in nursing at a time when some coordination of leadership and goals are essential to our pluralistic interests.

These challenges are before us at a time when there is a critical shortage of strong, competent, politically astute nurse leaders. New strategies and creative planning must be considered to meet the demand for nurse leaders who can function effectively in the present system of management.

Leadership Model

In response to these complex challenges and issues, is the "Fairness Model." I have utilized this undocumented
model successfully for a number of years. It is pragmatic, and simply a starting point from which one may enrich the relationship between the manager and the organization that he is affiliated with.

Fundamentally, it is based on the assumption that if you treat people fair, the majority will respond in a productive manner. Congruently, this will lead to a trust relationship, resulting in mutual respect. Out of this stanch relationship, exits a multitude of eminent products: improved patient care, high morale, decreased absenteeism, job satisfaction, less overtime, and an overall efficient work force. This is not an inclusive list, for there is no limit to the accomplishments of this model. Figure 1 illustrates the model in simple form.

Fair Treatment Leads Resulting Mutual
of People to Trust in Respect

Figure 1

The Fairness Model

However, this approach is no panacea, and definitely should not be regarded as a fait accompli'. For productive results do not usually appear overnight, and sometimes it takes weeks to several months. Why the variance? Because the relationships here are human, and as such, nothing is ever for certain. For example, I find that the majority of people respond at first in this manner: "is this guy for
real?" Apparently, this approach is not well established in the hospital setting. But, when this stance is maintained, even the most pessimistic of individuals will respond in a productive manner. When this happens, a whole new spectrum appears, and the workplace changes from conditions of mixed conflict-cooperation to conditions of pure cooperation. This results in the freeing of managerial personnel from conflict solving, and permits their returning to a role of productive leadership.

To reiterate, the absence of effective leadership is reflected glaringly in the managerial category of the survey-questionnaire. Although the trend, as indicated by Table 4, page 65, does illustrate that some hospitals are making progress in this area.

These advances, along with consumer demands for a health system that meets their needs, requires creativity and growth. To meet these demands, hospitals need leaders, not rulers! By decentralizing authority, new ideas are stimulated, and instead of "trouble makers," you now have creative people. Thus, it becomes the role of administration to set up an environment that will be conducive to promulgate or spread this philosophy. Thus, decentralization appears to be the most viable method to accomplish this evolution.
Chapter 6

CONCLUSION

The focus of this thesis has been decentralization of nursing service management in moderate sized hospitals. Moreover, organization as we know them evolve, and the realistic question for hospitals is: "to what extent is decentralization an evolution?" From personal experience, I know some people who would call this a revolution. However, this attitude is understandable, for change is usually both painful and difficult. This is particularly true with the hospital system, for hospitals have always been considered "different" in the traditional sense. By traditional, I am referring to the sense of duty, or the humanity service that hospitals are supposed to be reflective of.

However, the nature of the work force has undergone change over the past decade. A major factor is the growing influence of the baby-boom generation, people born from 1946 through the early 1960s, on work values. It came to maturity during a period of unparalleled prosperity and social turmoil and therefore brings far different expectations to the job than the generation that grew up during the depression. These people have never known hard times, they are more concerned with personal growth and enjoyment of work and leisure. The social turmoil of the 1960s has changed our work force
from a frightened and submissive group, to a more self-affirmative and critical of inequity group.

Therefore, it is imperative that our hospital system move away from their imperious or domineering stance, and adopt a system of management that will meet the wants and needs of this new work force. In other words, we must move our management modality from the 1930s to the 1980s.

This thesis has presented documented evidence in the form of a literature research and a research study, that indicates decentralization along with participatory management, as being a viable vehicle for solving this problem.

In further elaboration, this thesis has formulated evidence that bears directly on the question: "what is the relationship between decentralization of nursing service management in moderate sized hospitals, and nursing service personnel retention?" Although not conclusive, this evidence does indicate an overwhelming trend in favor of a positive answer to this question. However, the evidence presented is sufficient for acceptance of the postulate: "decentralization of nursing service management does provide job enrichment and job enlargement." Moreover, the establishment of these two attributes, paves the way for complete acceptance of this progressive management concept.

However, there is a management caveat connected to this concept: the participatory chain is only as strong as its weakest link. If any link breaks, whether it is a first-
line supervisor, middle management, or the hospital administrator, the process of participative management comes to a halt. Clearly, top management must emphasize that communal problem solving is an integral part of every person's job. Furthermore, this message must come down from the top level of management and be supported by all levels in between. Then and only then will you have successful participatory management.

Finally, this thesis has "captured" and "explained" some of the important aspects of what is observed in practice; it has asked the relevant questions that need to be asked about decentralization; and has provided those who work in these organizations some additional sensitivity to their own environment.
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APPENDIX
Dear Colleague:

Attached is a survey-questionnaire concerning decentralization of nursing service management in moderate sized hospitals.

I am a Master's Candidate at California State College, and I am gathering information for my thesis project. My thesis will be titled, "Centralization versus Decentralization of nursing service management in moderate sized hospitals."

The survey is concise, self-explanatory, and should take very little time to complete. I will greatly appreciate your cooperation in the compiling of accurate data for my thesis.

I am looking forward to seeing you at the next CSNSA meeting.

Sincerely yours,

Herbert B. Shoemaker, R.N., B.S.
SURVEY-QUESTIONNAIRE

I. Decentralization is the degree to which decision-making diffused throughout the organization.

A. Is your hospital decentralized? Yes__, No__. If the answer to A is yes, please proceed with the survey. If the answer to A is no, then please return the survey.

B. How long has your hospital utilized decentralization?
   ___1 year, ___2 years, ___3 years, ___4 years, ___over 4.

C. To what degree is your hospital decentralized?
   ___to the department director level
   ___to the assistant director level
   ___to the unit level
   ___to the supervisor level

D. For what reason(s) was decentralization implemented?
   ___economies of scale
   ___worker satisfaction
   ___geographic needs
   ___span of control
   ___departmentalization
   ___other

E. From what source did the idea of decentralization originate?
   ___board of directors
   ___administrator
   ___input from supervisory personnel
   ___input from workers
F. Please name any areas in your hospital that remain centralized. ____________________________

II. Organization is a process by which a manager develops order, promotes cooperation among workers, and fosters productivity.

A. The following are some positive attributes of decentralization. Please rate your hospital on each one from an organizational point of view.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Increase</th>
<th>Decrease</th>
<th>No Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morale among workers</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Democracy in management</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Feeling of self governance</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Motivation among managers</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Motivation among workers</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Communications</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Flexibility among managers</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Flexibility among workers</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Coordination</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Accountability</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Personnel retention</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Conflict (schism)</td>
<td>.</td>
<td>.</td>
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</tr>
<tr>
<td>Personnel development</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Individuality</td>
<td>.</td>
<td>.</td>
<td>.</td>
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<tr>
<td>Effective decisions</td>
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<td>Competition</td>
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<tr>
<td>Effective planning</td>
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</table>

Please feel free to add your own comments. ____________________________
B. The following are some negative attributes of decentralization. Please rate your hospital in all areas, in the same manner as part "A" of this section.

<table>
<thead>
<tr>
<th></th>
<th>yes</th>
<th>no</th>
<th>no change</th>
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</thead>
<tbody>
<tr>
<td>1. Increased operation cost.</td>
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<td>2. Negative attitude of administrators.</td>
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<td>3. Division competitiveness.</td>
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<td>4. Conflicts between divisions.</td>
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<td>5. Novice managerial errors.</td>
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<td>6. Duplication of policies.</td>
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<td>7. Non-uniform policies.</td>
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</table>

Please feel free to comment on any matter peculiar to your hospital.

III. Related to decentralization is the concept of delegation, for it is only through delegation that decentralization can be accomplished. Delegation maximizes the utilization of the talents of subordinates and uses latent abilities in personnel which contributes to their growth and development.

A. In order to delegate, the manager needs to understand the concept of delegation, and have a generally positive attitude toward people. Does the following conditions prevail in your hospital?

<table>
<thead>
<tr>
<th></th>
<th>yes</th>
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<tbody>
<tr>
<td>1. Most managers understand the concept. of delegation</td>
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<td>2. Most managers utilize effective. communication</td>
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<td>3. Most managers concentrate on goals.</td>
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<td>4. Each department works with its own budget</td>
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<td>5. Job descriptions are clear and concise.</td>
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