



# Health Care Administration/ Overview 2

Administration transforms resources into functional outcomes

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# Lecture Outline:

- Core Administrative Functions
- POSDCORB Framework

# Core Administrative Functions (POSDCORB)

- All functions operate as an integrated and interrelated system.

- Planning
- Organization
- Staffing
- Directing
- Coordinating
- Reporting
- Budgeting

+

- Supervising
- Evaluation





# POSDCORB

## Planning



### Planning determines:

- ✓ Planning is a **projected** or **predetermined** systematic process of setting goals and determining the actions required to achieve them
- Planning determines:
  - **What?** – Goals & objectives
  - **When?** – Timeline
  - **Where?** – Location
  - **How?** – Methods
  - **Why?** – Purpose
  - **By whom?** – Responsibility





## Importance of Planning

- ✓ Planning is the **most important** element of the administrative process. It sets the foundation for all other functions.
- ✓ Sufficient time should be given to the process of planning.
- ✓ The higher the **level of management**, the greater the involvement and time spent on planning.
- ✓ Always have **more than one plan** for flexibility
- ✓ Planning should be done at several levels and each level has its own challenges and particular methods.

## Planning by Management Levels



**Top Management**  
**Strategic Planning**  
(Long-term goals)



**Middle Management**  
**Tactical Planning**  
(Medium-term actions)



**Lower Management**  
**Operational Planning**  
(Day-to-day activities)



# Criteria of an Effective Plan

- ✓ **Needs-based** (Immediate & future needs)
- ✓ **Philosophy-driven** (Aligned with organizational values)
- ✓ **Evidence-based** (Data-supported decisions)
- ✓ **Feasible & Flexible** (Realistic within available resources)
- ✓ **Clear & Simple** (Easy to understand for health professionals and the public)
- ✓ **Measurable & Evaluated**





# Planning: Stages & Key Characteristics



## Key Characteristics



**Dynamic**  
(non-static) process



**Continuous**  
circular process



**Future-oriented**  
Decision Making



**Flexible**





# POSDCORB Organizing

- Definitions:

**Organizing** is the structuring of human and non-human (material) resources to achieve organizational objectives efficiently.





- **Principles of organizing:**
- Departmentation – Grouping tasks and roles into **departments** (e.g., HR, Finance, Nursing)
- Resource Allocation – **human resources** (staff) and **non-human resources** (equipment, supplies)
- Specialization and Division of labor – Assigning specific tasks to individuals or teams based on their **skills and expertise** to increase efficiency.
- Authority & Responsibility – Clearly defining **who has the authority** to make decisions and **who is responsible** for tasks. Delegation is key here.

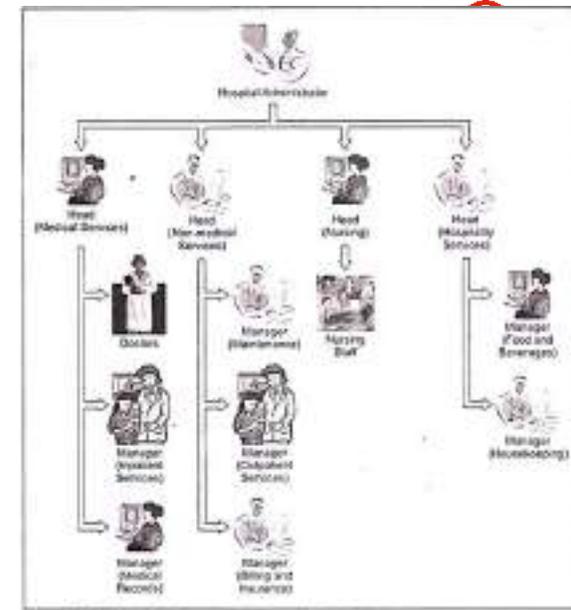


Figure 3.5 Functional Departmentation in a Hospital

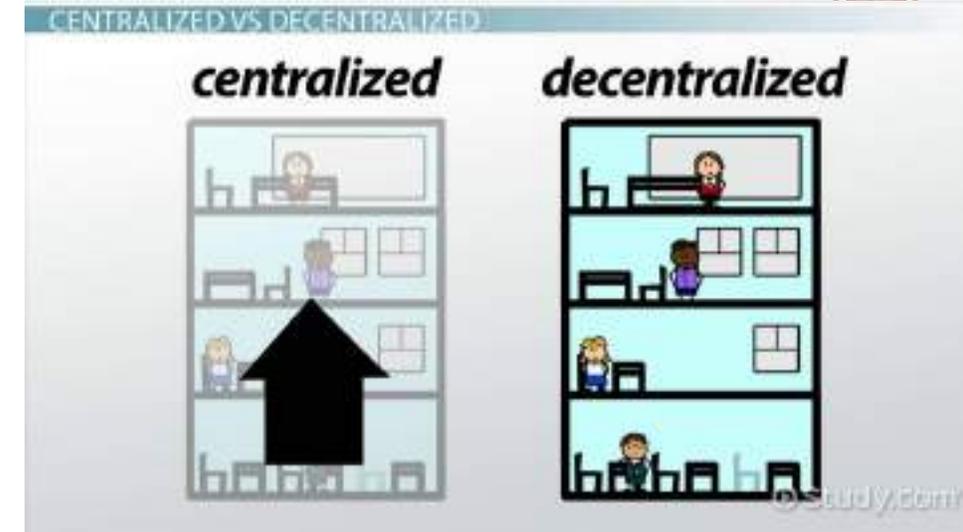




## Principles of organizing:

- **Centralization vs. Decentralization:**
  - **Centralization:** Decision-making is concentrated at the **top levels** of management.
  - **Decentralization:** Decision-making is spread across **multiple levels** of the organization.
- **Unity of Command:**

Each employee should report to **only one supervisor** to avoid confusion and conflicting instructions.
- **Line and Staff:**
  - **Line Roles:** Directly involved in achieving the organization's main goals (e.g., doctors, nurses).
  - **Staff Roles:** Support line roles by providing expertise and advice (e.g., HR, IT).





# POSDCORB Staffing

Staffing is ensuring the right person is placed in the right position at the right time.

## • Staffing steps:

1. **Identify Needs:**  
Determine the **type and number of staff** required for each role.
2. **Recruitment:**
  1. Write a **job description** (roles and responsibilities).
  2. Create a **person specification** (skills and qualifications needed).
  3. Advertise the position to attract candidates.
3. **Selection:**
  1. **Shortlist** applicants based on qualifications.
  2. Conduct **interviews** and check **references**.
  3. Make the final hiring decision.
4. **Orientation:**  
Introduce new hires to the organization, its culture, and their roles.

## Job Design Components

- Job Analysis – Study of tasks
- Job Description – Duties & responsibilities
- Job Specification – Required qualifications



# POSDCORB Staffing: Other methods of filling vacancies:



- **1 Reallocation of Duties** : Redistribute tasks among existing staff without new hiring.
- **2 Transfer of Posts** : Move employees between departments to fill vacancies.
- **3 Redeployment** : Reassign employees to new roles within the organization.
- **4 Outsourcing** : Hire external agencies for specific tasks (temporary or permanent).
- **5 Successor Appointment** : Promote a prepared internal candidate for planned transitions.



# POSDCORB Staffing



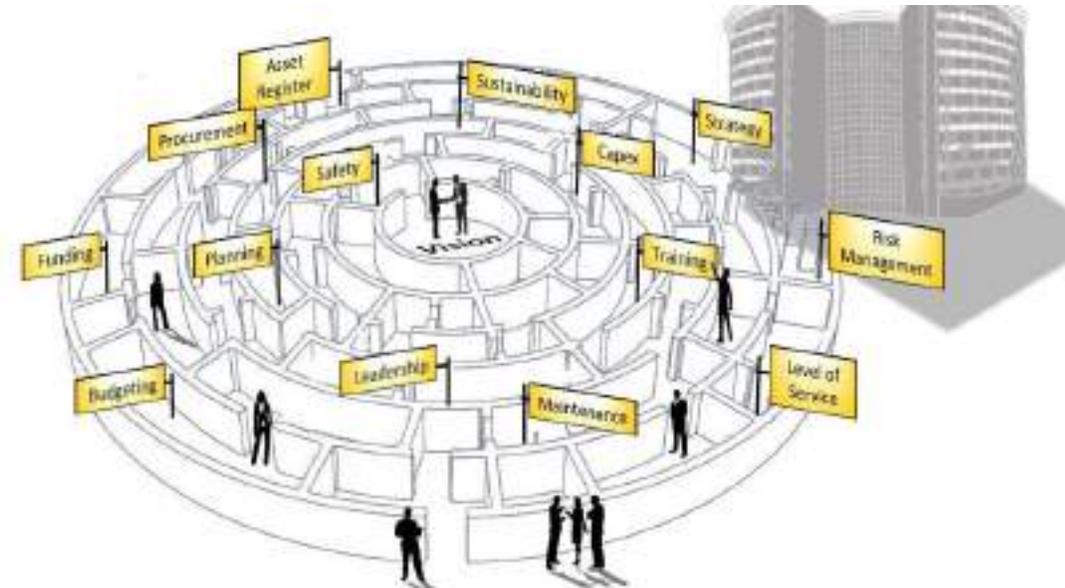
- Ethical Issues in Staffing
- **Avoid:**
  - **Discrimination:** treating individuals unfairly based on characteristics such as race, gender, age, religion, or disability
  - **Nepotism:** favoring relatives or friends in hiring, promotion, or other professional advancements, often at the expense of more qualified candidates.
- **Ensure:**
  - Fair recruitment
  - Equal opportunity
  - Workforce diversity (involve underrepresented groups )





# POSDCORB Directing

- Directing is: the process of guiding, supervising, and motivating employees toward organizational goals
- **Administrative Process Sequence**  
**(Planning → Organizing → Staffing) → Directing**
- First three: (preparatory steps)
- Directing activates action





# POSDCORB Directing

- Direction has following elements:
- [Motivation](#)
- [Communication](#)
- [Leadership](#)

**1. Motivation:** Inspiring, stimulating, or encouraging employees to perform their best

## Types of Motivation

- **Positive Incentives:** Rewards, recognition, and praise.
- **Negative Incentives:** Constructive feedback or consequences for underperformance.
- **Monetary Incentives:** Bonuses, salary increases, or financial rewards.
- **Non-Monetary Incentives:** Flexible work hours, professional development opportunities, or a positive work environment.

**2. Communications-** the exchange of information between individuals or groups to ensure coordination and understanding.



# Katz 3-skill approach

- **Robert L. Katz** in 1974, has set the relationship of **managerial skills** and management *levels*.

Three areas of **managerial skills** are required:

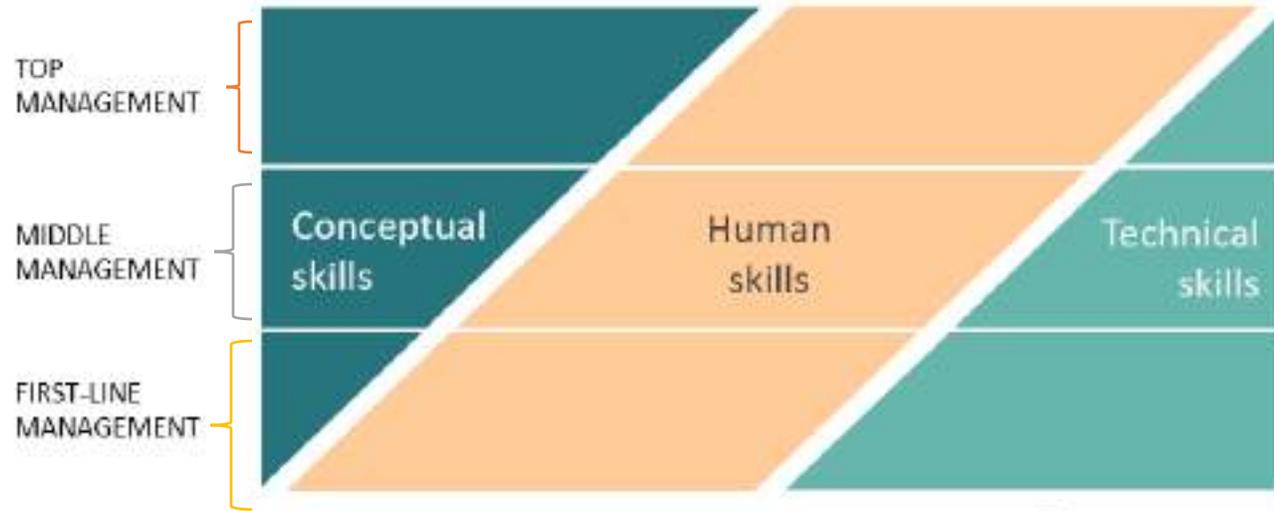
- **Technical skills** - Task expertise. Example: Technology, Applying infection control protocols, scheduling,...
- **Human skills** - ability to work with people. Example: trust, team building, conflict solving, leadership...
- **Conceptual skills** - Strategic thinking. Example: setting vision, plans and goals, policies,...



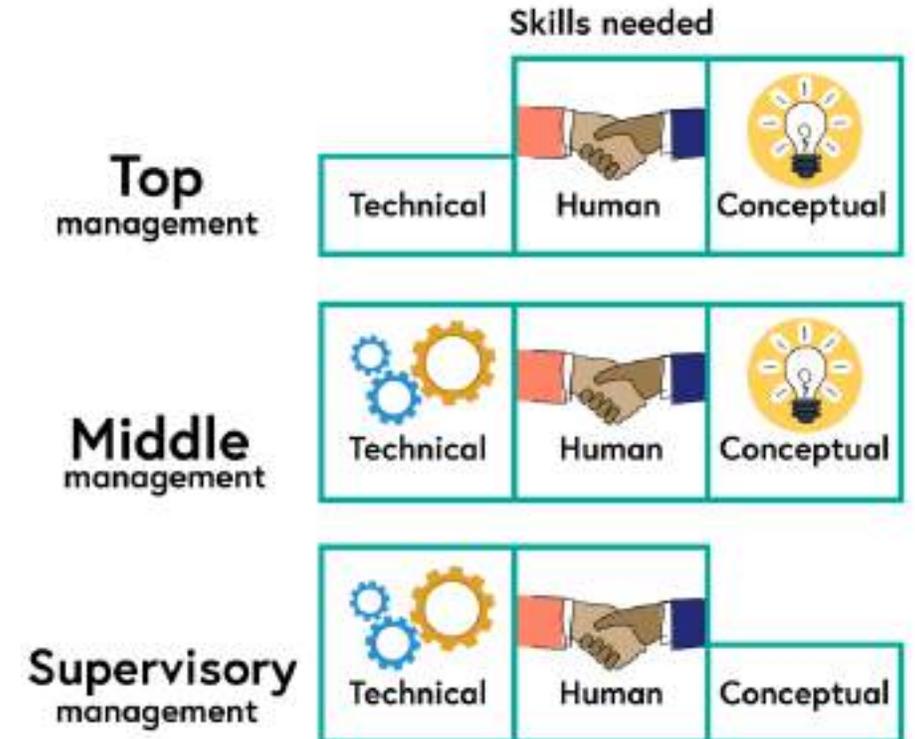
# Katz 3-skill approach



## Management Skills by Robert L. Katz



 managementinitiative.com





# POSDCORB COordination



- Coordination integrates activities across departments to prevent duplication, overlap and conflict.
- Essential in departmentalized systems such as healthcare.
- Increases with organizational size



# POSDCORB Reporting

- **Reporting (Controlling Function)**

Reporting provides performance information to keep monitoring and corrective action.

- Measures progress
- Supports planning
- Improves responsibility
- Helps decision-making

Reporting is done according to the flow of positions in the organizational chart. It could be from bottom to top, from top to bottom, and even lateral.



## Characteristics of Effective Reports

- Accurate
- Complete
- Timely
- Organized
- Confidential



# POSDCORB Budgeting

- Budgeting is the allocation of financial resources for a defined period to achieve organizational objectives.
- It is expressed in financial terms (Quantitative) and based on expected income and expenditure.
- A budget: is defined as “a balanced estimate of expenditures and receipts for a given period of time”.
- *Budget is the heart of administrative management.*

The main activities are:

- Budgeting
- Accounting
- Auditing
- Purchasing





## Example: simplified sample budget template for a healthcare facility

Category	Budgeted Amount	Actual Amount	Variance	Notes
<b>Revenue</b>				
- Patient Services	\$5,000,000	\$5,200,000	+\$200,000	Higher patient volume
- Insurance Reimbursements	\$3,000,000	\$2,900,000	-\$100,000	Lower reimbursement rates
Total Revenue	\$8,000,000	\$8,100,000	+\$100,000	
<b>Expenses</b>				
- Salaries and Wages	\$4,000,000	\$4,050,000	-\$50,000	Overtime costs
- Medical Supplies	\$1,000,000	\$950,000	+\$50,000	Bulk purchasing savings
- Utilities	\$200,000	\$210,000	-\$10,000	Higher energy costs
- Maintenance	\$150,000	\$140,000	+\$10,000	Reduced repair costs
Total Expenses	\$5,350,000	\$5,350,000	\$0	
Net Income	\$2,650,000	\$2,750,000	+\$100,000	



- **Accounting** المحاسبة – Systematic recording of financial transactions
- **Auditing** – المراقبة والتفتيش Independent evaluation of financial performance
- **Purchasing** – The act of obtaining or buying goods and services



**PURCHASING**  
Department





**THANK YOU**  
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