Chapter 10

LEADERSHIP AND MANAGEMENT

10.1 INTRODUCTION TO GOOD MANAGEMENT

The aim of good management is to provide services to the community in an appropriate, efficient, equitable, and sustainable manner. This can only be achieved if key resources for service provision, including human resources, finances, hardware and process aspects of care delivery are brought together at the point of service delivery and are carefully synchronized. Critical management considerations for assessment and planning, managing the care process, human resources, interacting with the community, and managing information are covered in the Planning, Human Resources, Integration and Monitoring chapters. This chapter first discusses good management and leadership in general, then outlines relevant considerations for managing relations with patients and the district team, as well as finances and hardware and management schedules.

10.2 MANAGERS AND LEADERS

Management and leadership are important for the delivery of good health services. Although the two are similar in some respects, they may involve different types of outlook, skills, and behaviours. Good managers should strive to be good leaders and good leaders, need management skills to be effective.

Leaders will have a vision of what can be achieved and then communicate this to others and evolve strategies for realizing the vision. They motivate people and are able to negotiate for resources and other support to achieve their goals.

Managers ensure that the available resources are well organized and applied to produce the best results. In the resource constrained and difficult environments of many low – to middle-income countries, a manager must also be a leader to achieve optimum results.

What are the attributes of a good leader? Leaders often (but not necessarily always):

- have a sense of mission;
- are charismatic;
- are able to influence people to work together for a common cause;
- are decisive;
- use creative problem solving to promote better care and a positive working environment.

Leadership is creating a vision

Managers who have these leadership qualities are a credit to the services they manage. However managers must ensure that day-to-day processes run well to produce the desired results. Certain attributes are required for a manager to be effective, including:

- clarity of purpose and tasks;
- good organizational skills;
- ability to communicate tasks and expected results effectively;
- ability to negotiate various administrative and regulatory processes;
- good delegation skills.

Management is getting things done

10.3 CONDITIONS FOR GOOD MANAGEMENT

Certain conditions are important for creating good management, including:

- managers and team members need to be selected on merit;
- managers need to earn the respect of their staff, patients, and supervisors;
- managers need to have the knowledge, skills and understanding of the role, tasks and purpose of the services they deliver;
- basic support systems function well; clear staff administration rules and regulations; well planned and timely delivered supplies, equipment and drugs; clear and transparent financial processes; and well planned and monitored activities.

Management is getting things done through balanced involvement of people

As a health facility manager there are important questions to discuss with the district management team and to ask yourself:

- What exactly am I supposed to do as a manager?
- Will the resources needed be here and be on time?
- How free am I to take decisions, e.g. to move staff around?
- How can I balance my managerial and clinical duties?
- How can I reduce the time spent on the many routine reports I need to write?
- What and where are the tools and techniques to help me do the job well?

Conditions for being an effective manager are best when these questions have clear and positive answers so that tasks are clear, the delegation of authority is known and managers know where and when to seek support for their decisions. Management also flourishes when the manager and the staff agree about the objectives of the work that they are doing, and can make decisions easily and with minimal risks.

10.4 HOW TO LEARN AS A MANAGER

Health care delivery and patient circumstances are constantly changing, and managers have to continue to learn new abilities and skills to keep up. A significant portion of management involves skills and competencies such as motivating staff, communicating and negotiating with stakeholders, and maintaining certain attitudes and behaviours that maximize staff discipline and performance. Managers also need to understand the basic technical aspects of the services delivered. For most of these competencies, training courses, while effective, are often not sufficient to provide all the necessary skills.

How can managers create and foster an environment in which they, and the people they manage, are constantly learning? One way is to clearly and regularly identify challenges that the service faces, and the skills and knowledge that the team needs to overcome these challenges. The ways to acquire the necessary skills and competencies may include:

- continuous education and learning (including self-learning programmes)
- structured "academic" courses; the most common form of management training;
- Secondments, attachments, shadowing/observation and study tours provide practical learning and examples of how others handle situations you will likely face;
- Mentoring and coaching relationships – experienced mentors provide insights into managing partnerships and relationships, opportunities to seek advice and explore options when managers are faced with difficult situations;
- Peer to peer learning – an opportunity to meet other managers at regular intervals, share experiences, challenges and solutions, build a common understanding of processes, and to support each other.

Other peer learning techniques include:

- Learning cycles/groups - groups of team members who meet regularly to discuss issues and help develop or improve management systems;

- Networks – managers from within and outside your health centre with a common interest in understanding and improving their situation;

- Reflection sessions – managers and their teams set aside a regular time to review their work, identify areas that need improvement, and ways to improve the service;

These methods can be used by the managers as part of their planned self-development, and should be linked to challenges they face in delivering services. Every manager needs clear learning objectives and plans and available time for these activities (e.g. put aside a half day every two weeks for team or personal learning).

10.5 OVERVIEW: A MANAGER'S ROLE AND TASKS

Certain roles and responsibilities all general managers need to manage, include:

- type and coverage of services to be delivered;

- resources (staff, budgets, drugs and supplies, equipment, buildings and other infrastructure and information) available for use;

- people, including patients, partners, suppliers and staff that are important for delivering functional quality services.

The specific functions carried out by health facility managers are discussed here and in other chapters, However, no matter what type of service is offered, managers need to devise and implement strategies, make plans and budgets, seek resources, implement, monitor and evaluate the plans, learn lessons, and then design new plans.

A manager delegates some tasks to other staff members and supports and coaches them to achieve desired results. Managers use team and staff meetings and other forms of communication to communicate the appropriate messages to staff about what is to be achieved and how.

A major management task is reviewing the important information and data concerning service delivery and using this data to make decisions about how services can be modified and improved. Managers are responsible for the finances available to the service, ensuring that these are used to produce the maximum possible benefits for patients and staff. Keeping a firm focus on the overall goal of the service and reminding staff, partners and clients of this goal is a major task for managers. Management involves developing staff/ skills mentoring persons with high potential, and resolving conflicts while maintaining ethics and discipline

Managers must also develop "management improvement/action plans" that target:

- difficulties in management systems
- bottlenecks/barriers to service delivery
- tasks that need to be delegated, and
- expected results of the management functions.

Management is about making decisions

10.6 HOW TO MANAGE RELATIONS WITH THE DISTRICT TEAM/ SUPERVISOR

In most health systems, health facilities are linked to the national health system through the district and threfore are accountable to district management teams. All operational health system activities are implemented via the district including drugs and commodities procurement, human resources, infrastructure, and technical support. Local facility managers and district managers must have clear lines of communication, and ensure optimal off-site support and supervision, and that reporting to districts is accurate.

Facility managers must communicate all challenges to the district level to make sure there is continued service delivery at facility level. District managers should communicate new policies and management tools to local managers to ensure compliance. A strong relationship between the two levels is key to sustained service delivery at the facility level.

10.7 HOW TO MANAGE PATIENT RELATIONS AND ACHIEVE PATIENT SATISFACTION

Health facilities exist for the sole purpose of providing health services to patients in communities. Therefore managers need to ensure that client satisfaction is of utmost importance. This is why all staff must be trained to understand patients' rights.

Staff should not be judgmental and must provide information to patients so they can make informed decisions regarding treatment options, as well as lifestyle and behaviour modifications that may be required to improve their health status. Staff must also be able to assist patients to understand their responsibilities, including:

- to live a healthy lifestyle;
- not to participate in risky behaviour;
- to participate in their care by attending appointments, asking questions, and playing a part in their own health improvement;
- to be open and honest about the problems they face;
- to have the best health outcome by adhering to treatment regimes.

The attitude of staff towards patients influences patients' willingness to obtain access to and continue care, to treatments, and to accept and follow health promotion messages. Negative staff attitudes reduce patients' self esteem and motivation, reducing their will to seek services.

Assessing patient satisfaction

Appropriate tools should be used by the health centre and district supervisors to assess patient satisfaction, or to assess how patients perceive the health establishment in general. These include:

- client satisfaction surveys
- suggestion boxes
- community consultation committees.

These concrete measures ensure patients' voices are heard. Anonymous mechanisms for eliciting suggestions should be encouraged, such as a "suggestion box" placed in the waiting area (with paper and pen), in which patients can put anonymous messages. The box should be emptied regularly and comments discussed with the staff.

10.8 PATIENTS' RIGHTS

Patients' rights, include the right to:

1. health information
2. full range of accessible and affordable health services
3. privacy when they are receiving health care
4. be treated with dignity and respect when they are receiving health care
5. be assured that personal information will remain confidential
6. be given an explanation of the processes that they go through when they are receiving health care
7. be treated by people who are trained and knowledgeable about what they do
8. continuity of services
9. be treated by a named provider
10. express the views on the services provided and to complain about unsatisfactory health services
11. gender equality
12. a healthy and safe environment
13. make free informed choices

10.9 HOW TO MANAGE FINANCES

The degree to which health centres are involved in managing funds and financial resources varies with the nature of the health centre, its size, and the structure of the national health services. Yet, all health services have to manage two types of funds:

- "Invisible funds", or budgetary allocation. These are not physically handled, but represent a "credit" that is provided by the district management team or other entity that will handle how they are spent;

- "Visible money" or cash: This money is seen and handled in the centre. Money can be kept for spending (usually small in amounts, called "petty cash"[1]), or be received for services or sales of goods.

Managing money and finances in a health centre is complex and responsible work. Ultimately, the facility manager bears responsibility for the correct handling of all financial aspects. Good financial management is the core of good service delivery. The facility manager needs to ensure that financial resources are committed to those activities that contribute to organizational goals. Regular use of the good financial management checklist below can help ensure that the financial procedures in place conform to good financial practises.

1 Petty cash – the financial term for this is imprested fund

A good financial management checklist ensures that:

- All accounting registers, journals and ledgers are up to date.
- All financial reports are prepared and submitted in a timely manner.
- Procedures for the use of petty cash are properly developed.
- All expenses other than petty cash are paid by cheque.
- Financial activities are separated in such a way that one person alone never registers, reviews and authorizes any complete transaction.
- Procedures for authorizing purchases are being followed.
- Security measures are in place to protect the assets, books and registers from tampering or theft.
- A physical inventory of fixed assets and supplies is conducted at least once a year.
- The bank statement is reconciled monthly.
- There is a financial plan and/or a financial strategy leading to improved cost recovery.
- Financial administration staff is involved in both programme and financial planning processes.
- A realistic annual budget is developed from the work plan.
- The organization has a unified budget, as well as sub-budgets for different programmes and/or donors. The accounting system adequately allocates expenses to different programmes and/or donors.
- The line items in the chart of accounts, the budget and management financial reports correspond with each other.
- Cash flow is adequately monitored and is projected for the year so there are no periods of cash shortage.
- Actual expenditures are compared quarterly with the budget and corrective action is taken as a result of these comparisons.

Often, health centres have no dedicated financial officers to handle budgets and financial control is exerted by the overall facility manager. A minimum set of financial management tasks includes:

- budget preparation and cash flow projection
- budget allotments and expenditures
- management of cash income and expenses
- financial monitoring and reporting
- the use of financial information to make decisions.

How to prepare a budget and cash flow projection

A health centre budget outlines how financial resources will be used over a defined period of time, usually one year. Two main steps in budget preparation include projecting all expenses that will be incurred at the health centre, and matching them with expected revenues and budget allocations. Additional cash flow projections help to ensure that income and expenditure match throughout the year, and the health centre is able to meet costs as they incur. Budget development is an essential part of the planning process.

Determining resource needs and associated costs

The starting point for budgeting is a list of the resources needed to carry out all activities throughout the year required to maintain the health centre and to provide its services. It is useful to also list resources that are directly provided to the centre and that are financed from other budgets (e.g. staff or medication paid directly by the district authorities). Leaving out these in-kind contributions hides the real cost of services delivery, and makes it hard to determine how to make the service sustainable in the future. The budget includes two types of resource needs and costs:

- Fixed costs: remain constant and are independent from the exact level of activity within the capacity of the centre. Such costs include most salaries, equipment leases or payments, rent and utilities. Some fixed costs also change with the level of activity – such as the number of staff needed.

- Variable costs: depend on the level of activity such as the number of patients treated. Such costs include care consumables, drug costs and transportation costs for home visits etc. Variable costs are usually specified "per unit" of delivery (e.g. drug needs and costs for one patient on first-line ART) and multiplied by an estimated "number of units" (e.g. the number of patients expected to be on first-line ART in the facility).

It is recommended to use a budgeting sheet (see Annex 10.1: Budget Sheet) and to sub-divide the list of resources into various categories. For each resource (e.g. staff), you need to specify the type of costs associated (e.g. salary) and time period, (usually 12 months), and at what cost per unit (e.g. US 300 Dollars (USD) per month). Standard categories are recommended

by district authorities and ideally the same categories are used for budgeting, accounting and reporting. Those categories may include:

- staff;
- physical infrastructure and building operating costs;
- medical supplies, equipment and consumables;
- communication;
- transportation including vehicle operating costs and travel;
- replacement costs (depreciation) – This is a provision for long-term assets (such as vehicles/machinery/computers/lab equipment) that deteriorate over time and have to be replaced at the end of their usefulness. Some money needs to be set aside every year for future purchases to replace these assets (see section - 10.10 - Managing Hardware).

Determining funding sources

For many public programmes there will be only one source of funding, i.e. the district health service, or the provincial or national health department. However, some public facilities – and usually all private facilities – might also receive private funding or charge fees to generate income.

The "unified budget" prepared in the previous step will be of great help in managing incoming funds. This is because the same listing of activities and resource needs can be used to demonstrate which funds are used towards what purpose. This is a process of "earmarking" that will ensure that the use of funds remains within the originally intended purpose. It will also facilitate donor reporting. Assigning incoming funds to expenditures is best achieved by appending specific "donor columns" to the budgeting sheet. (Annex 10.1 -Budget Sheet)

Projecting cash flow

Cash flow projections are needed to ensure that each month enough money is available (in cash or in the allotment) to cover all anticipated financial

obligations. Cash flow projections are done on the basis of the health centre's budget, detailing the amount of expenditures, and when they occur. (See Annex 10.2 Cash Flow Projection Sheet).

Cash flow projections are best made for each month of the budget year, and should outline:

- how much money is available a the beginning of the month;
- what funds will be received during the month; and
- How much money is expected to be spent during the month.

The remaining balance should be zero or a positive amount and should be carried forward to the next month. Prudent financial management requires that as part of cash flow processes, management fixed management costs be prioritized over other expenses; otherwise operations could be brought to a halt.

How to manage allotments

"Invisible money" is allocated to a health centre based on a budget (see previous sub-section) that defines certain expenditure categories. To keep track of expenditures against such allotments, a logbook of all expenditures should be kept that will allow the manager to track how much money has been spent, and how much money is still available. This logbook is usually called "allotment ledger" (see Annex 10.3 – Allotment Ledger).

In the ledger, the manager registers all fund allocations (credits) and all expenditures (debits). For each transaction, the date is registered, as well as a reference to further documentation on the transaction (see below). At any point in time, the amount debited can be totalled and deducted from the amount credited. The ledger can combine all expenditure categories, or break them down according to main categories. Usually, the district office will provide a specific format for such a ledger.

Expenditures against allotments are made in the form of "purchase orders" or "vouchers", that will allow the allotment holder (e.g. the district health administration) to make the payment. Each purchase order needs to be duly signed at the health centre and by the health district administration. Purchase

orders and payment vouchers are usually pre-printed and serially numbered (see Annex 10.4 – Purchase order / Voucher).

Managers who have the responsibility of authorizing expenditures and purchases need to ensure that; 1) the purchase is justified and within the scope of planned activities; 2) the cost is competitive; 3) the transaction is properly documented, and; 4) sufficient funds are available to make the purchase.

How to manage cash

Most health centres need to have some reserves to cover small cash expenses ("petty cash"). This cash is advanced to the manager based on the budget, and subtracted from the allotment. The provision of a cash advance for specific purposes is called a "petty cash fund". The types of expenses that can be covered by the petty cash fund vary from place to place but may include:

- transportation such as bus fares, petrol;
- communication such as stamps and phone calls;
- cleaning needs such as soap, detergent;
- stationary such as paper, envelopes.
- sundries such as matches, candles, tea, emergency supplies.

A petty cash fund is a fixed amount of cash (e.g. $US 50) from disbursements that are made for the purchase of goods or services. The cash is kept in a safe place to which only the manager has access. It is important that each time cash is taken out, the transaction is documented in a logbook ("petty cash book"), and supported by evidence for its use ("voucher" and "receipt"). When the petty cash fund is nearing its exhaustion (e.g. after having spent $US 40) the manager will total all expenditures. The remaining balance will be "brought forward (B/F)" and the petty cash fund will be replenished to the original level (e.g. by adding $US 40 to reach the original level of $US 50).

Petty cash books are usually standardized to list - (in table form) each transaction, the date, the purpose, the number of a referring voucher/purchase order, and the amount paid or received. It is possible to add additional columns to break down expenses by certain categories (see Annex 10.5 - Petty Cash

Book). The voucher documenting each transaction is filled out when funds are given out and signed by both the authorizing officer and the receiving staff (e.g. the driver). It is important to attach the original receipt for expenditures to all purchase orders and vouchers if possible (e.g. a receipt from a petrol station - see Annex 10.6 - Cash Voucher). Certain health centres may also receive cash, usually in form of service fees or from sales of drugs or other commodities. For each transaction, a receipt is issued in three duplicates: one for the client, one to accompany the cash, and one that stays in the receipt book. Such receipts are usually provided in the form of books of numbered receipts see Annex 10.7 - Cash Receipt).

Just as with expenditures, all cash revenues are kept in a safe place and are recorded in a "revenue book" (see Annex 10.8 - Revenue Book), indicating clearly for each transaction the date, amount, and purpose. Periodically, the manager will turn over funds to the district financial officer, together with copies of used and unused receipts.

How to report on the use of funds

The manager is expected to show the appropriate use of finances and to demonstrate how their use relates to expenses set out in the work plan and budget. One's ability to do so depends on the availability of a well developed budget and well kept up to date allotment records. In some cases, the facility manager will be able to complement records held at the health centre with official records and financial statements from the allotment holder (usually the district administration). Implementation progress reports and financial reports are normally required to comply with specific formats and to cover defined time periods see Annex 10.9 - Financial Reporting Form).

Financial controls

Financial control procedures are essential for effective resource management. Even for a facility that employs accountants and other financial personnel, the facility manager bears the ultimate responsibility for ensuring all resources entrusted to him or her are fully accounted for. It is important that the facility puts in place guidelines, policies and rules and an effective financial control system that ensures financial accountability see the good financial management checklist). Finally, it is advisable that at least once a year, the financial transactions of the facility are audited.

10.10 HOW TO MANAGE HARDWARE

A number of tangible goods and structures are needed to successfully provide services at the health centre, including:

- physical infrastructure and buildings
- equipment and machinery, including vehicles
- drugs, commodities and supplies.

Various chapters in this manual describe how to design appropriate space distribution and use, how to choose and maintain laboratory equipment, and how to plan for effective procurement of drugs and commodities. However, as a manager, you are expected to ensure that all of this hardware remains functional all the time. To this end, you will need to make plans and reserve budget for:

- regular maintenance of all hardware, including machinery, vehicles, and buildings;
- supplies to use hardware, such as test kits for lab equipment and petrol for vehicles;
- repair of failing hardware;
- replacement of hardware once it has reached a predefined period of use or fails beyond repair.

From a practical point of view it is recommended that all maintenance and replacement actions be marked in the yearly facility planner to avoid a lack of critical hardware in the centre (see below; How to design Management Schedules). In addition, if replacement hardware needs to be purchased by the health centre, a budget allocation for "depreciation" of the hardware needs to be made.

10.11 HOW TO DESIGN MANAGEMENT SCHEDULES

The facility manager is challenged to juggle a range of important management responsibilities and tasks, and at the same time to ensure the smooth running of the health centre. The key challenge for any manager is the limited availability of time. A first step to managing your time as efficiently as possible is to examine how your working time is actually spent. Normally, managers will spend significant portions of their time on:

- management and administrative tasks, including development of work plans, budgets and reports;
- meeting with health workers help them work better together as a team;
- meeting with patients, the community and other external partners;
- interacting with the district level authorities;
- travelling and attending of workshops;
- learning and continued education;
- clinical work.

The challenge is to reduce time spent on lower priorities and to free time for priority tasks that would otherwise be neglected. Some proven "time savers" and "time managers" are:

- learn to say "no"
- rationally delegate and distribute work within the team
- use meetings wisely; run meetings effectively
- have a strategy for dealing with interruptions
- be aware of time wasters.

An important tool to use time effectively is to structure the work routine so that important tasks receive specific, regular time slots. Recommended fixed time slots include:

- health care team meetings
- supervisor briefings
- community meetings
- time for budget review
- time for report preparations.

Successful managers use calendars and to-do lists to structure time demands and to ensure that no important tasks are forgotten. Important tasks and events are best kept on a yearly wall calendar, on which each line represents one month, with each day having one field. As a manager, you should include the following information on this planner:

- important dates on which action on contractual issues is needed; absences of team members (participation in training, vacation); a time slot for a yearly patient satisfaction survey, time for supervisory visits, and community health committee meetings;
- managing information: time slots for preparation of routine patient monitoring reports, due dates for progress reports, dates of important meetings with partners;
- managing finances: budget preparation and reporting deadlines, financial monitoring visits;
- managing hardware: hardware inspection dates, maintenance dates, ordering deadlines for supplies and hardware;
- managing care: review and revision of current care and prevention routine, time slots for checks on adherence to patient and staff safety policies.

Planning is a critical tool for time management, but there should always be enough time set aside to anticipate unplanned events and to listen to staff, patients and community members.