

Physicians and Managers ... a road to Success.



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Different definitions and roles can be attributed to both Physician and Manager. If we define or consider a Physician as a person looking for the wellness of a group of persons or a community and a Manager as a person looking for the wellness of an organization or a society, we can rapidly notice the convergence between their two roles, especially when we take in consideration the fact that they are working at/and for the same society: a Hospital.

Despite the common goal between the two professions, as described previously, physicians have a distinctly different mentality than managers. This mentality is not "hard wired". Rather it is mental operating system software programmed through a long/intensive education and socialization process. The programming begins in medical schools, continues through residency training and is reinforced every day by the nature of the work physicians do. The following table lists several critical aspects of this clinical mentality as contrasted to the managerial mentality (Freidson, 1972):

Dimension	Managerial Mentality	Clinical Mentality
Primary allegiance	To the organization	To individual clients
Responsibility	Shared	Personal
Authority relationships	Hierarchical (vertical)	Collegial (horizontal)
Time Frame	Long/future	Short/present
Feedback	Delayed and vague	Immediate and concrete
Tolerance for ambiguity	High	Low

Manager/physician coordination is a critical and a key factor of the success of a hospital. As the health care industry is moving toward a situation characterized by higher scarcity of resources, fiercer competition, and strict cost-containment approaches, managers and physicians should, more than ever, work together under conjoint or shared authority. Thus, their relationship can unfortunately be described as risky because of the wide range of differences that exist between them: different socializations and trainings resulting in different worldviews, value orientation, expectations and different cultures.

In brief, managers and physicians represent different "tribes," each with its language, values, culture, thought patterns, and rules of

the game. The differences are twofold. In one respect, there are differences in professional training, responsibilities, and goals. In another respect, there are differences in beliefs how healthcare should be provided, who should have primary responsibility for certain operations and services, and how a healthcare organization should be managed. Such differences lead to frustrations, misunderstandings, and inefficiencies in most healthcare organizations which, in turn, lower employee moral and...worse, it will affect patient care, and definitely the interests of the organization and the physicians.

When it came to financial issues both parties have the same interests. The manager has to maximize the hospital profit and the shareholders wealth. The physician, in his turn, has to maximize his profit and his wealth; both without affecting the quality of the services provided, but in contrary by continuously increasing and optimizing this quality. In order to analyze the Physician/Hospital rate of return, a brief financial study done in a medium size hospital in Lebanon will be elaborated below. The mentioned hospital is considered running in a stable financial situation.

Qatar
GlobeMed Qatar
(2006)

Ivory Coast
MCI - SOGEM
(2002)

Lebanon
MedNet Liban
(1991)

Syria
GlobeMed Syria
(2000)

Kuwait
GlobeMed Ltd.
(2006)

Kingdom of Saudi Arabia
GlobeMed Saudi
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United Arab Emirates
GlobeMed Gulf
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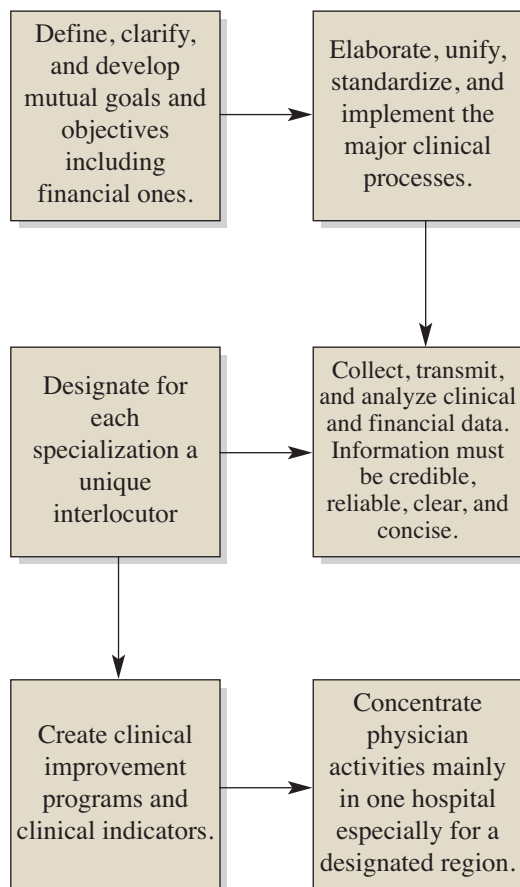
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Description	Explanation	Physician	Hospital
Annual Turnover	As registered in the books of the hospital for the year 2007		10 000 000 000 L.L.
Annual Turnover for one physician (Average) from patients admitted to hospital	As registered in the books of the hospital for the year 2007	63 000 000 L.L.	
Annual Turnover for one physician from private clinic	Average taken from 20 physicians for the year 2007	45 000 000 L.L.	
Annual Turn Over	Average for one physician and a medium size hospital	108 000 000 L.L.	10 000 000 000 L.L.
Total expenses	As registered in the books of the hospital for the year 2007.		
For physician average, for the year 2007, taken from 20 physicians	90 000 000 L.L.	9 000 000 000 L.L.	
Net Income		18 000 000 L.L.	1 000 000 000 L.L.
Initial Investment	As registered in the books of the hospital.		
For Physician (Medical School Fees) average taken from 20 physicians	225 000 000 L.L.	16 000 000 000 L.L.	
Payback Period		13 years	16 years
Annual rate of return on Initial Investment		8%	7%
Margin		17%	10%

Many physician's income, expenses, and initial expenses are either greater or lower than mentioned in the table listed. Same thing can be applied for hospitals. But if we took into consideration the information already mentioned and collected from a hospital that we presume in which physicians and managers have always shown divergence in point of view at many levels and every time a decision should be taken, we fortunately notice that in spite of the remarkable differences in the way that matters should be done, the interests of both parties took always and approximately the same way. So we can imagine the positive impact if both parties agree on the same issues!

In other words the main question is: How can Managers and Physicians convert an unproductive relationship to a one that encourages a team oriented constructive connection? A response to such question can be summarized by the following scheme:



The conversion from conflict and crisis to a constructive relationship between hospital managers and physicians is clearly necessary for mutual success in the increasingly competitive managed care environment. A working partnership between these two professional groups can generate superior clinical outcomes at less cost and simultaneously creating better patient care and greater values to payers and employees.

References:

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