UNIT 2 ELEMENTS AND PRINCIPLES OF NURSING ADMINISTRATION

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2.0 OBJECTIVES

After completing this unit, you should be able to:

- explain the meaning of administrative process;
- describe the various elements of public and nursing administration;
- discuss the significance of each and every element in the management of the nursing service department; and
- explain the principles of administration to be applied in nursing service administration.

2.1 INTRODUCTION

From the previous unit, you might have got a clear idea about the administration and management and differences between administration and management. The administrative and operative functions in order to be effective need various processes. These processes are described as elements of administration. For a scientific administration there is a need for definite principles which help the administration to use them as guidelines in managing smoothly any organisation.

This unit focuses on administrative process, elements and principles of administration.

2.2 ADMINISTRATIVE PROCESS

It comprises a series of interested and interdependent functions performed by the administrator and managers for reaching the common objectives of an organisation. The administrative process is a social process involving co-ordination of effects and various categories of people with in the organisation. It is an intellectual, dynamic and creative as well as continuous process.
The process is based on goal orientation meaning that all the actions are directed towards the achievement of goals. The process tries to define the nature of jobs to be performed by all the personnel including manager; tries to maintain a sequence and interrelationships of managerial functions like planning, organising, staffing, directing, coordinating and controlling etc.

The process is common to all the organisations whether it be a hospital, community health center, college, school or office.

The administrative process is carried out by some functions which are explained as elements. You will study those elements of administration in the following section.

### 2.3 ELEMENTS/FUNCTIONS OF ADMINISTRATION

Gulick and Urwick coined the acronym – POSDCORB – to promote seven elements of administration.

Both Gulick and Urwick were influenced by Taylor and Fayol. Gulick used Fayol's five elements of administration, viz. planning, organising, command, coordination and control as framework for his neutral principles. Gulick briefly described the duties of administrator with the help of famous acronym POSDCORB, which are used mostly to describe the functions of administration.

- A - Attuning
- P - Planning
- O - Organising
- S - Staffing
- D - Directing
- C - Co-ordinating
- R - Reporting
- B - Budgeting

### 2.3.1 Planning

Planning is the first step for the function of any administration. The word planning as used by Fayol is “Prevoyance” which when translated explains forecasting and preparation for it. The word planning is also interchangeably used with policing. Before a plan or a policy can be made some attempt is made to forecast the situation to which the plan is to be applied. The degree of accuracy with which the forecasting is done determines the success of the plan. Forecasting should be done on the basis of available factual evidence rather than the opinions of the policy makers. Investigation of facts involves two things i.e., collection and classification. Investigation is often the work of experts of the respective field. The investigators in the case of nursing administration are representatives from the field of health and nursing. Investigators along with the policy makers function in committees, councils or government bodies. It is important that active participation of nursing representatives involved in the clinical and academic institutions is sought to prepare a realistic and workable plan.

Plan must be prepared keeping in mind the realities of the situation, which may be far away from the ideals. Planning takes into account the resources available (manpower, material and money), and the limitations of the situations. The plan should also have the provision for adequate training and distribution of staff.
Therefore, the plan should be such that can be easily integrated into the existing framework of the administration structure. The plan may be prepared for development purposes or to bring about change.

The characteristics of a good plan are:

- Plan should be based on a clearly defined objectives. Objectives outline the intentions that the planners along with members of the organisations, hope to achieve.
- Therefore, objectives need to be communicated to all the members of the nursing staff and others.
- Plan should be simple, unambiguous, and free from complexities which may lead to wastage of resources. A simple plan leads to success and achievement of laid down objectives.
- Plan should be based on the process of investigation for activities of the various nursing members so as to set standards to assess quantity and quality of performance.
- Plan should be flexible to adapt to different emergencies and changing situations.
- Plan should be balanced so that it can be operated effectively within the total purpose of the health agency.
- Plan should be realistic, based on verifiable facts.

Planning in health care situations can be divided into two categories:

- Strategic planning
- Operational planning

Strategic planning is concerned with developing broad objectives, determining the services required and means of fulfilling the same. Strategic planning is done at the highest planning level with statement of the purpose. The purpose is focused on making decisions chosen from among realistic options based on quantitative judgements. The process involves to find answers as to "what services are needed", "Who will purchase them?", where would the nursing services like to be in ten years? How many departments? What type of clients will be there?

Strategic planning is not based on facility oriented services but on market oriented, i.e., in response to the needs of the community. Thereby, the hospital is economically survivable, and the preparation leads to a short range (2-3 years) and long range (5-6 years) strategy. Therefore, it is important to involve experts in the field of health, nursing, economics, administrator as consultant.

Operational planning is done at the lower organisational level generally, focused on programme formulation and implementation. It is concerned with implementing strategic planning in all its components at the operational level.

Implementation can be independent of strategic planning, because it concerns itself with systems planning at all levels of the institution — i.e., when a new service or department is added, when there is need for upgrading of an existing service or department, or when a new system of organisation is being introduced.

A step by step approach to planning involves following steps:

- Analysis of the situation
- Identifying priority problem
- Formulating objectives
- Setting goals
- Reviewing limitation/constraints
- Laying down operational policy and system
- Writing down the plan.

The responsibility of overall planning lies with the top-level authority i.e., the hospital management board, board of trustees, committee of management, or a government department. In the plan the nursing service department is delegated to the director of nursing service, or chief of public health nursing (in a community health set-up).

The primary objective of nursing department is to render quality nursing services. The plan of nursing service should include the following features:

- Organisation of the nursing department along with details of qualification of the nurses working at various levels, procedure of recruitment, induction programme, relationships, duties and responsibilities of all nursing personnel. Such details help to ensure the smooth functioning.

- Details of supplies and equipment, available.

- Programme of staff education and training e.g., in service education, exchange programme.

- Clinical facilities for the training programme of students run by health agency, e.g., diploma or collegiate programme.

- Welfare facilities available for the nursing personnel e.g., crèche, accommodation, insurance coverage.

Once the plan is finalized by the policy makers it is officially communicated to the operating authority. The director of nursing services then develops policies to institute the necessary procedures and techniques, delegates the authority and responsibility in writing to members of her staff.

The director of nursing services in co-operation with her staff formulate objectives which are in accordance with the policy of the hospital. The examples of objectives are given in the Unit 1.

After formulating the objectives the nursing director utilizes the element of investigation. She identifies and analyses the factors in the light of real situation to forecast nursing requirements.

These factors are:

- Number and types of clients beds;

- Nursing services likely to be required in wards, operating room, and out-patient departments;

- The procedures and techniques necessary for good nursing care;

- The number and type of personnel needed to perform the necessary duties;

- The provision of equipment and supplies; and

- The physical facilities.

The plan should be realistic so as to adapt to the prevailing situation. For example if a plan is for requirement of one hundred nursing personnel and eighty are made available then the nursing administrator should identify the activities that can be delegated to the less skilled persons so that available number of nurses can be used to their maximum. This shows the skill of administrator in organising the services.

In administration, planning as an ongoing process which is also necessary at other levels of nursing services. For example the head nurse plans to evaluate nursing care and develop nursing measures in order to improve nursing practice. She might concentrate on ways to motivate, challenge and develop the staff, determine staff problems that interfere with
quality client care. The head nurse in coordination with her supervisor, plans ways to improve staffing pattern by managing time, keeping record of supplies and materials to improve nursing practices.

2.3.2 Organising

Organising is giving the plan some shape and establish the formal structure of authority through which work sub-divisions are arranged.

The objective of organisation is to see that the purpose of the plan is accomplished in an effective, efficient and economical manner. Organising is a means to an end and not an end itself. The process of organisation involves the means of human and material resources to be used to meet situations forecasted. Although organisation of work requires materials and equipment it cannot be accomplished without human effort. Therefore, organisation takes into account two things:

- Determination about the jobs to be done, and the type of workers required to do the job, along with development of the people.
- Assessment of materials, equipment needed to accomplish the work.

Organising is a process of grouping the activities of a number of personnel for the achievement of a common goal or purpose by division of work and function. The process of grouping the activities is carried out by determining the line of authority, and communication and developing patterns of coordination. The division of work and function is achieved through hierarchy of authority and responsibility. Therefore the division of work and process of grouping utilizes the principles of organisation explained below:

- Line and staff authority.
- Functional authority.
- Hierarchy and authority.
- Delegation of authority.
- Span of management.

**Line and Staff Authority**

No single individual can perform all the tasks, he/she has to depend on his/her subordinates and assistants. The central hierarchy comprise the line and assisting the line are the staff. The line works at the direct accomplishment of the programme objectives and is served by staff. Staff provides specialized advise but does not command.

Line refers to the position in the organisation that has the responsibility and authority and are accountable for accomplishment of primary objectives e.g., head nurse with staff nurse; public health nurse (PHN) with lady health supervisor. The line authority is the direct chain of command from top level through a chain of each successive level, called scalar chain. The line manager has the authority to accept, alter or reject the advise and technical expertise but the ultimate responsibility for the end results lies with him/her.

Staff refers to those positions that provide services and advice to the line management for attainment of primary objective. The staff have no direct authority on the line manager.

In an organisation, a single position might serve as line, staff at the same time. For example the director of nursing services advises the account officer on the cost containment (staff) and also manages the nursing personnel working under her (line).

Line authority exists between a superior and the subordinates immediately and directly responsible to him/her. Staff authority is by virtue of vested position of the individual or the person on whom the authority is vested e.g., Director Nursing Services/Chief Nursing Officer, District Public Health Nurse.
**Functional Authority**

Functional refers to the duties divided on the basis of special knowledge and skill or the kind of work the person performs. The individual exercises authority on one particular person like Doctor, Nurse, Pharmacist, Nutritionist. Functional authority exists side by side with line authority.

Functional authority is also the right of the individual or a department which has delegated to itself practices, policies or other matters related to activities in departments other than its own. For example, resuscitation of newborn is performed by a nurse working in the newborn intensive care unit, assistance is provided by an operation theatre nurse to perform resuturing in the surgical/or medical unit, triad in trauma unit by a team.

**Hierarchy and Authority**

Hierarchy refers to the arrangement of individuals into a series of superiors and subordinates. The responsibility reaches from top to the bottom through a number of levels.

Any organisation has a pyramidal structure-broad at the bottom and narrow at the top, refer Fig. 2.1.

![Organisational Pyramid](image)

The flow of authority is direct from superior to subordinate. The personnel are placed in a specific authority relationship to a superior, whose authority can be traced to the next level of authority and like that up to the top level. **This is the scalar principle.** The downward arrow in Fig 2.1, shows the flow of authority from the top to the bottom level, through number of levels. The upward arrow shows who reports to whom, (staff nurse to ward incharge) who is responsible for the actions of whom (ANS for ward incharge), who has authority over others, (DNS over ANS). This uninterrupted line results in chain of command.

Chain of command identifies supervisor-subordinate relationship starting at the top level of the organisation. The chain of command establishes an authority hierarchy in which formal communication evolves along the chain.

Fayol believed that existence of dual command (two supervisors, one subordinate) causes severe breakdowns in authority and discipline. The hierarchical pyramid shows that nurses receive orders from only one supervisor. Observation of this **principle** eliminates the causes of interdepartmental and interpersonal conflicts arising from jurisdictional issues.

**Authority and Responsibility**

The delegation process involves responsibility, authority and accountability. This process is vital to an organisation because it enables superiors to pass authority downward to subordinate, giving them certain rights as well as prescribing limits within which they must operate. Delegation determines the level of power a superior entrusts to the subordinates to act on behalf of the supervisor in the given circumstances.
Administrative persons are authorised to make certain decisions and to direct the staff under their jurisdiction. They are also accountable for the results. When an activity is delegated to subordinates, the supervisory person retain responsibility for it. Subordinates are responsible to the individual who delegated the task to them. Therefore, delegation includes assigning an activity to subordinates, granting them the authority necessary for it to be fulfilled, and acceptance by subordinates of responsibility and accountability for satisfactory performance of the activity.

An interesting question arises as to whether responsibility can be delegated Robbins (1980) recognizes two forms of responsibility: operating and ultimate responsibility. An administrator is ultimately responsible for the actions of subordinates to whom he or she has given operating responsibility. It is understood that the administrator delegates responsibility equal to the delegated authority. Ultimate responsibility can never be delegated. For example the director of nursing services delegates the absolute responsibility to deputy nursing supervisor but the ultimate responsibility is retained by her.

Delegation of authority and responsibility depends on the principle of centralisation and decentralisation. Centralisation refers to the degree to which the importance of the subordinates role is reduced. In a small hospital there is centralisation of authority e.g., the nursing superintendent holds authority for many functions like preparation of duty roster, ward supervision. These functions otherwise are performed by head nurse/ward incharge and assistant nursing supervisor. In a large hospital these functions are decentralised by nursing superintendent to the assistant nursing supervisors. The degree of centralisation or decentralisation of authority depends on the philosophy of the organisation/health agency, size of the organisation.

Span of Management

Span of management refers to the recognition of the number of individuals whose activities can be co-ordinated and controlled effectively by one supervisor. This also involves the level of persons needed to achieve the purpose of the organisation. There are factors that influence the span of management. These factors are:

- **The Nature and Flow of Work**: Routine, repetitive work allows large span of management, whereas, a complex nature of work, greater degree of interrelationship, a great degree of coordination will need close supervision, and therefore, a narrow span of control.

- **Training and Motivation of Workers**: Well trained and motivated workers do not need much supervision and therefore may have a wide span of control.

- **Organisational Stability**: Organisational instability, high turnover, rapid change, requires close supervision and narrow span of control.

- **Physical Layout**: A scattered layout requires closer supervision and therefore, narrow span.

- **Training and Experience of Supervisor**: Appropriate training and amount of experience enables supervisor, to control large number of subordinates, hence wider span.

- **Availability of Manpower**: Supportive supervisors can take off the load of superior or supervisor and therefore, widen the span.

There is no consensus about the number of personnel each supervisor should have, but it is accepted that narrow span leads to effective control.

As mentioned earlier organising involves the means of human and material resources. One of the effective ways to utilize manpower to achieve the objective is by formation of committees. Committees form an important part of the organisation. Committee is a group of persons to whom, as a group, function is committed.

Committee may either be line or staff, depending upon its authority. Although it is difficult to make a distinction between the two (line and staff) is the committee authorized to make
decisions affecting subordinates responsible to it, is a line committee. If the committee advises the superiors then it can be considered a staff committee.

Committees can also be formal and informal. Committee established as part of the organisational structure with specifically delegated duties and authority e.g., purchase committee, planning committee are formal.

Committees organised without specific delegation of authority e.g., group thinking on a particular problem (causes of occurrence of pressure sores, nosocomial infection) are informal.

Committees should be wisely constituted formally organised, meet regularly, keep their minutes, communicate and their decisions and their results be acceptable.

Organising also includes a diagrammatic view of the organisation—indicating line and staff authority, hierarchy. A master chart of overall organisation and supplementary charts of departments to help provide a framework of operations. An example of an organisational chart is given in Fig. 2.2.

![Organisational Chart](image)

**Fig. 2.2: Organisational Chart**

**Key**
- HOD: Head of the Department
- Med.: Medicine
- Surg.: Surgery
- Obst. & Gyn.: Obstetrics and Gynaecology
- Ped.: Paediatrics
- Line of Authority
- Direct Reporting (Line)
- Decision Making Structure
- Advisory Relationship (Staff)
- Communication Channel

An example of a brief schematic plan of organisation of nursing services of hospital and community nursing service are given in Fig. 2.3 and Fig. 2.4.

### 2.3.3 Staffing

Staffing includes the whole personnel function of bringing, training manpower and maintaining favourable conditions of work. Staffing requirements are affected by overall hospital policies, and the various departments of the hospital like laboratory, dietary, radiology etc.

Staffing broadly includes three components i.e., planning, scheduling, and allocation. Planning involves determination of number of personnel needed over a long-term period; scheduling and allocation includes assigning the number of personnel for specific time periods by shift, based on needs of the organisation. For example, in case of nursing personnel it is based on the client care needs.
Fig. 2.3: Hospital Nursing Service

Key

Nsg. : Nursing  Med. : Medicine
Asstt. : Assistant  Ped. : Pediatric
Dept. : Department  Obst. : Obstetric
Supdt. : Superintendent  Gyn. : Gynaecology
OT : Operation Theatre
DNS : Deputy Nursing Superintendent

Allocation of staff involves staffing assignments or readjustments on a daily or shift basis.

Aydelotte asserts that nursing staffing methodology should be an orderly systematic process, based upon sound rationale, applied to determine the number and kind of nursing personnel required to provide nursing care of a predetermined standards to a group of patients in a particular setting.

The planning or staffing methodology should be based on quantifiable measurable data. The systematic nursing staffing must include following variables:

- An assessment of patient care needs (patient classification)
- An assessment of required nursing time to meet patient needs (nursing workload determination).
- The relationship of above two factors to meet the needs effectively.
It has been estimated that major time is given by nurses to look after the physical needs of the patient and therefore, it is suggested that the patients may be classified into following headings:

- Totally ambulant
- Partially bedfast
- Bedfast but not helpless
- Partially helpless
- Totally helpless

Nursing care activities that encompasses total care of the client can be considered into three main groups. These activities are concerned with:

- The comfort and well being of every client, irrespective of the disease from which he/she is suffering;
- Carrying out of medical treatment; and
- Education of the client, nursing personnel, family of the client.

An investigation into the physical facilities, equipment and supplies needed also affect staffing and needs consideration by the administrator. It is important that the nursing administrators must thoroughly understand the trends and complexities of nursing staffing for achieving the objectives.

2.3.4 Directing

As planning results into systematic actions in accordance with the objectives, direction initiates and maintains action towards at desired objectives. Directing is a continuous task of making decisions and giving instructions. The role of director who can lead comes into play. If all the personnel do the job according to their own ideas and interests the efforts become meaningless and go waste. Therefore, the need of an individual arises, who can coordinate the efforts to accomplish the objectives laid down.

As the organisation had, a logical and well conceived plan, carefully designed organisational structure, and good staffing so the employees are to understand the organisation, feel that it is their own, be motivated to contribute all they can to meet primary objectives. Therefore, to bridge the two (an organisation and the employee) a leader is needed to help people to perform in a desired manner.

There are four main factors that affect successful direction.
Delegation: Provides subordinates the authority in fulfilling their responsibilities. In order to make sure that the authority appropriate to the responsibility delegated, right selection of the right person for the right job is important (personnel management).

Communication: Provides the subordinates with necessary information in performing their tasks and provides feedback. The director is responsible for setting the right tone for effective communication through formal and informal communication process.

Communication is the central part of everything done in administration. Communication or lack of it is the most frequently mentioned problem. Nurse director writes for others to read and read what others have written. Everyday communication flows to and from the nurse executive by virtue of telephone, written materials, computer printout and meetings. The basic purpose of communication is to bring change in our environment, in others, and in ourselves. Therefore, it is important to communicate with self, followed by communication and one-to-one as in small groups. Following guidelines can help directors become effective communicators.

- Communicate clearly.
- Don’t beat around the bush, eliminate unnecessary details.
- Plan organisational communication in consultation with concerned personnel.
- Establish two-way downward and upward communication.
- Be empathetic.
- Follow-up communication with feedback.
- Be a good listener.

In service training: Provides the subordinates opportunities to improve their knowledge and skills for better performance.

Motivation: Provides satisfaction to the personnel in meeting their social needs and drives them to give their best.

You have learnt the Maslow’s hierarchy of needs that is also widely referred to as theory of motivation. The theory explains that as people advance in an organisation, the need for physiological and safety needs decreases in importance and the needs for esteem and self-actualization tend to increase.

What motivates one person will not necessarily excite another. Herzberg and Snyderman have divided the motivating factors into intrinsic and extrinsic factors.

<table>
<thead>
<tr>
<th>Intrinsic Factors</th>
<th>Extrinsic Factors</th>
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</thead>
<tbody>
<tr>
<td>Achievement</td>
<td>Administration and organisation</td>
</tr>
<tr>
<td>Recognition</td>
<td>Supervision</td>
</tr>
<tr>
<td>Work itself</td>
<td>Relationship with supervisor</td>
</tr>
<tr>
<td>Responsibility</td>
<td>Work conditions</td>
</tr>
<tr>
<td>Advancement</td>
<td>Salary</td>
</tr>
<tr>
<td>Growth</td>
<td>Relationship with peers</td>
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<td></td>
<td>Personal life</td>
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<td></td>
<td>Relationship with subordinates</td>
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<td></td>
<td>Status</td>
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<td>Security</td>
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</table>

2.3.5 Co-ordination and Controlling

In the words of Fayol control is “seeing that everything is being carried out in accordance with the plan which has been adopted, the orders which have been given, and the principles which have been laid down”. Mary Parker Follett points out that there is a fear of the word “control”, which to many people implies a domination of one individual over others, and therefore, it is important to appreciate that control is putting ideas and actions in proper relation.
The degree of control exercised must therefore, depend upon how successfully the co-
ordination of the efforts and ideas of all who are taking part in the operation is
accomplished. Co-ordination is the ability of the administrator to interrelate the
functions and activities of all the personnel towards achievement of objectives. These
considerations led Fullett to give four principles which should guide the administrator
in securing control. These are:

- **Co-ordination by direct contact:** This means that people working together sort
  out their differences, by way of mutual settlements without going through the
  formal chain of authority. This can only be effective if the members enjoy the
  confidence of each other, communicate the matters of mutual concern. This is a
  short cut method to improve understanding of others problems and towards the
  progress of work.

- **Co-ordination in the early stages:** This step demands contribution of other
  people in the planning for successful implementation of the plan. People would
  cooperate for the success of the plan. The contributions may be constructive and
  plan more workable.

- **Co-ordination as the reciprocal relating of all the factors in a situation:**
  Reciprocal relating is the process of adjustment by give and take creating in itself a
  new situation. The relationship between one individual and another, or one
  department and another, may be influenced by yet another individuals or
  departments. Such coordination does not stop at the simple process, but has many
  possible permutations as the combination of relationships allows. This can be best
  illustrated by looking at the number of possible lines of communication between
  individuals. Two persons have two possible lines of communication, four persons
  have twelve and so on.

- **Co-ordination as a continuing process:** It is a fact that as the situation changes, so
does the machinery to work out new methods to meet it. Relying on the previous and
set methods leads to rigid routines. Success lies in devising new processes, techniques
and procedures as required. Thus, co-ordination should be a continuing process.

**Control**

The primary purpose of control is to ensure results, output, or organizational activity. It
involves measuring the actual results against standards (expected results), and to take
corrective actions if needed.

The prerequisites of control are:

- Plan
- Organisational structure and its functioning

The basic control process, irrespective of the department is the same. It involves:

- Establishing standards
- Measurement of the performance
- Correction of deviations

Now let us see how each element comprises the control process.

**Establishing Standards**

Standards are criteria for measuring the performance. In health care, control standards can
broadly be classified into “output controls” and “activity (or process) controls”.

Example of control are bed occupancy, length of stay of client, client satisfaction. Quality
of care monitored through quality assessment is an example of activity or process control.
Quality assessment ensures that the patient care results are consistent with the laid down
procedures.

Standards can also be decided for programme implementation, resource allocation and
resource utilization. For example, staff turnover rate, consumption of materials equipment
Measurement of Performance

Appraisal of actual performance by techniques of job analysis and job evaluation help, in objective assessment. The tools that determine exactly what subordinates are doing makes the measurement of performance easy.

The measurement may be done at various levels by various individuals. Therefore it is necessary to define clearly the quality, the activity to be assessed in an individual. The performance of an individual should be measured by the person to whom the individual is directly responsible. The supervisor/administrator must also discuss the performance with the concerned individual and keep it confidential.

Correction of Deviations

Deviations in performance, negative or positive need correction. A negative deviation from standards is an indication that something is wrong, the cause of which should be examined. Deviations are corrected by reappropriaing organisational process through reassignment of duties, by additional staffing, or by better training of personnel.

A positive deviation from standards may also suggest a problem, if it was a chance or superior performance.

However, correction of deviations may also need better directing and controlling.

The techniques of controlling like operational Audit, Programme Evaluation and Review Technique (PERT), Critical Path Analysis are used for effective control.

2.3.6 Reporting

The experience factors should be organised in such a way that they motivate or co-ordinate with the intrinsic factors.

Reporting is the way of informing and keeping records of activities being carried out by personnel at various levels of functioning. Reporting also uses principle of effective communication both horizontally (e.g., reporting about client between colleagues) and vertically (top to bottom or vice versa).

The amount of information obtained by reporting may vary at different levels in its nature and volume. Nursing director receives department wise reports of daily attendance of patients in outpatient and inpatient, number of patients posted for surgery, MLC, LAMA cases, death, unit wise attendance of nursing staff, any problem in implementation of planned nursing services etc.

Reports are source of information to review professional performance of nursing and other personnel and for nursing audit.

In community health setting reports, surveys reflect community satisfaction, quality of services provided by the health agency. At the higher level the information generated through reporting provides basis for planning the services.

These principles of administration are applicable to nursing service as well as nursing education department, although the explanation is primarily of nursing service in hospital or community health setting. It is important to understand that health care delivery system, has two set-ups for delivery of health services ‘hospital’ and i) ‘community health services’.

Both the services complement each other. The principles are also useful to all nursing persons involved in getting the work done in a health care agency. The term health care agency has been interchangeably used with organisation and institution.

2.3.7 Budgeting

Budgeting involves fiscal planning, accounting and control. As a planning function budgeting is translation of total statement of monetary requirement and financial consequences. The hospital should take into consideration the needs of nursing service and education departments in planning as well as in implementing the budget. Nursing administrators should have an active role in planning and utilizing these budgets.

You have identified various elements of administration. While discussing these elements as functions, you have come across with some principles of administration which help smooth
functioning and co-ordination of work in an administrative set up. These principles are accepted facts (basic truth) or statements which act as guidelines or criteria in the process of administration. Most of the books describe the principles explained or identified by Henry Fayol. They are discussed in the below given paragraphs.

2.4 PRINCIPLES OF ADMINISTRATION

Principles are based on truth and facts which are based on observations and verifications. They are also based on theories. They serve the administrators as guidelines in the management process.

Henry Fayol identified fourteen principles. They are:

i) Division of work

ii) Authority, responsibility and accountability

iii) Discipline

iv) Unity of command

v) Unity of direction

vi) Subordination of individual interest to organisational interest

vii) Remuneration of personnel

viii) Centralisation—authority rests at the level of top management

ix) Hierarchy of or scalar chain of command

x) Order—systematic management

xi) Equity—seeing to fair and impartial treatment in the organisation

xii) Stability of tenure of personnel—retaining personnel by providing stability and promoting loyalty in the workers.

xiii) Initiative—helping the personnel to show their interest and initiativeness

xiv) Esprit de corps—creating a sense of belonging, spirit of working together.

Urwick identified eight principles of administration applicable to all organisations. The principles are:

i) The principle of objective—States that all organisation should be an expression of a purpose.

ii) The Principle of Correspondence—States that the authority and responsibility must be equal.

iii) The Principle of responsibility—States that higher authorities owe the responsibility for the work of subordinates.

iv) The Scalar principle—A Pyramidal type of structure exists in an organisation.

v) The Principle of span of control refers to how many subordinates can work under one head.

vi) The Principle of specialisation refers to the work of a person to a single function.

vii) The Principle of Coordination—All employees co-ordinate with each other to achieve the set goal of the organisation.

viii) The Principle of definition—Clearly defines the duty of an individual in an organisation.

Similarly Gulick expounded ten principles of organisation. He was very much influenced
by Henry Fayol’s 14 basic elements of administration. The principles of Galick are:

i) Division of work

ii) Coordination through hierarchy

iii) Coordination through committee

iv) Deliberate Coordination

v) Decentralisation

vi) Unity of command

vii) Staff and line

viii) Delegation

ix) Span of control

The details of above principles are already studied by you in the elements which included some of the principles.

Check Your Progress

1) List the principles of organisation described by Henry Fayol.

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2) Fill in the blanks:

   a) .................. is the process involved in identifying and placing individuals at work.

   b) The chief characteristic of .................. type of organisation is the flow of authority from top to bottom through various levels.

   c) .................. is the right to give orders and power to obey.

   d) .................. is the obligation of the subordinate to perform the duty as required by his / her superior.

   e) .................. refers to the number of subordinates a manager can supervise effectively.

   f) .................. is a situation produced by large delegation of authority down the levels of organisation.

   g) .................. is the process of assignment of activities and laying down of line and staff relationship.

3) Answer the following questions:

   1) Five characteristics of plan.

      a) .................................................................

      b) .................................................................

      c) .................................................................

      d) .................................................................

      e) .................................................................
4) Seven steps of planning.
   a) .................................................................
   b) .................................................................
   c) .................................................................
   d) .................................................................
   e) .................................................................
   f) .................................................................
   g) .................................................................

5) Extrinsic motivating factors (according to Herzberg and Synderman are)
   a) .................................................................
   b) .................................................................
   c) .................................................................
   d) .................................................................
   e) .................................................................
   f) .................................................................
   g) .................................................................
   h) .................................................................
   i) .................................................................
   j) .................................................................

2.5 LET US SUM UP

Administration is a process comprising of interrelated and interdependent functions. The
process in order to achieve the organisational goals does take into consideration many
elements systematically designated as functions.

The unit has explained those elements of administration given by Luther Gulick in an
acronym – POSDCORB (Planning, Organising, Staffing, Directing, Co-ordinating,
Reporting and Budgeting). Principle of planning is based on process of forecasting.
Forecasting is done by investigating by way of collection and classification of facts.
Planning in health field is divided into strategic and operational. Strategic planning is of the
whole of the organisation at the highest level and operational planning is done at all the
levels of the institution. The characteristics of the plan are that it should have clear
objectives, simple, specify standards, flexible, balanced and realistic. The seven steps of
planning are analysis of the situation, identification of priority problem, formulation of
objectives, setting goals, reviewing constraints, laying down operational policy and system;
and writing down the plan. The organisation is division of labour on the basis of rational
combination of the activities of number of people through use of principle of hierarchy of
authority and responsibility. Staffing involves the whole function of bringing, training and
maintaining favourable conditions of work.

Directing involves continuous task of making decision and giving instructions. Co-
ordinating is done of all important duties of inter-relating the various parts of the work, and
controlling is to ensure that the results correspond to what is expected out of the
organisation. Reporting is concerned with keeping the superiors informed about the progress
through reports, inspection etc. Budgeting is the extension of planning concerning fiscal
planning, accounting and control.

This unit also explained the principles of administration which help the nursing or any other
administrator to function smoothly in order to achieve the objectives of their departments.

While reading your notes on elements these figures may help you to get a clear idea. These
figures are some of the examples.
2.6 ANSWERS TO CHECK YOUR PROGRESS

1) Henry Fayol identified fourteen principles. They are:
   i) Division of work
   ii) Authority, responsibility and accountability
   iii) Discipline
   iv) Unity of command
   v) Unity of direction
   vi) Subordination of individual interest to organisational interest
   vii) Remuneration of personnel
   viii) Centralisation—authority rests at the level of top management
   ix) Hierarchy of or scalar chain of command
   x) Order—systematic management
   xi) Equity—seeing to fair and impartial treatment in the organisation
   xii) Stability of tenure of personnel—retaining personnel by providing stability and promoting loyalty in the workers.
   xiii) Initiative—helping the personnel to show their interest and initiative
   xiv) Espirit de corps—creating a sense of belonging, spirit of working together.

2) a) Staffing
   b) Line
   c) Authority
   d) Responsibility
   e) Span of Management
   f) Decentralisation
   g) Organizing

3) a) Clear objectives
   b) Simple
   c) Flexible
   d) Balanced
   e) Realistic

4) a) Analysis of the situation
   b) Identifying priority problem
   c) Formulating objectives
   d) Setting goals
   e) Reviewing limitation/constraints
   f) Laying down operational policy and system
   g) Writing down the plan.

5) a) Administration and organisation
   b) Supervision
2.7 FURTHER READINGS


