

Healthcare organization

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Section/# Governance and Management: An Analysis and Discussion One of the most important functions of a shareholder within a large healthcare organization is seeking to understand the interplay that exists between the different levels of leadership and management. As such, one of these is the fundamental difference that exists between governance and management. At first glance, these two concepts of direction may appear to be the same; however, upon closer examination, key differences emerge between the two. As a function of these key differentials, this brief analysis will consider the divergence of concepts and direction that exists between governance and management as well as seeking to integrate an appreciation with the reader for why both of these are required within the healthcare organization.

Firstly, with respect to governance, the reader can and should understand this as “ the strategic task of setting the organization’s goals, direction, limitations, and accountability frameworks” (Prencipe & Bar-Yosef 199). In this way, the reader/researcher can readily integrate with the understanding that such a function of leadership is necessary in order to constrain and elaborate upon the rules of the game with which all of the other shareholders must integrate. Rather than providing an active form of participatory leadership, the role of governance is more intended to lay the underlying framework for how shareholders should integrate with one another, with the patient, and with the provision of healthcare within the system. It is also worth noting that just because governance can be defined in such a way does not make it anything similar to an infallible process; rather, it is just as fallible as management might be.

Conversely, management can of course be defined as “ the allocation of resources and overseeing the day to day activities and operations of the

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organization” (Prencipe & Bar-Yosef 199). In such a way, the reader can understand that although less of a macro approach than governance, management is the means by which governance and the issues that it portends for the shareholders must be engaged. Moreover, the reader and/or researcher can understand the management as opposed to governance is the path by which the “ what” and “ how” of the governance directives are able to ultimately be integrated with the prospective shareholders in the process. As one can expect from the fact that the governance structure was one that presented the macro view, the management process is one that offers a much more integrated and personal approach to leadership. The importance of discussing this within the framework of a large healthcare provider is the fact that within such an entity the differential between governance and management becomes clear. However, within a smaller entity, these two concepts begin to coalesce and are not so easily distinguishable. Yet, within a larger firm, the need to have both and to exhibit the key differentials of leadership rules and the processes which implement them with their respective shareholders is a vital necessity. As a function of understanding these determinants to a better and more complete degree, it is possible for the individual to integrate with them in a more effective way.

Work Cited

Prencipe, Annalisa, and Sasson Bar-Yosef. " Corporate Governance And Earnings Management In Family-Controlled Companies." *Journal Of Accounting, Auditing & Finance* 26. 2 (2011): 199-227. Business Source Premier. Web. 30 Mar. 2013.