Executive Briefing:

Sunnybrook's Matrix Organizational Model – Moving Ahead

by Peter H. Ellis and Patrick M. Gaskin

Traditionally, hospitals have denied the true intricacy of their organization by forcing all reporting relationships into a single structure. To address this complexity, Sunnybrook has developed three independent, yet interrelated, organization dimensions. Three structures – the traditional, the clinical unit and the programmatic dimension – provide a better link of accountability by holding departments responsible for the efficiency of their operations, holding physicians accountable for the resource implication of volume and case mix, and ensuring that the activities of the hospital's departments and clinical units are in line with the hospital's overall mission and programs.

Les hôpitaux ont depuis toujours fait fi de la complexité de leurs organisations en intégrant de force tous les rapports de subordination dans une structure unique. Pour faire face à cette complexité, Sunnybrook a développé trois dimensions organisationnelles indépendantes, bien qu'en relation mutuelle. Ainsi, trois dimensions, soit celle du modèle traditionnel, celle de l'unité clinique et celle des programmes, facilitent un lien de responsabilité plus efficace : d'une part, en tenant les départements responsables de leur efficience; d'autre part, en obligeant les médecins à répondre des dépenses engagées dans le coefficient du volume et du diagnostic; enfin, en veillant à ce que les départements et les unités cliniques de l'hôpital respectent les limites des programmes et de la mission générale de l'hôpital.

Organizations have at least three structures: the one on paper, the one people believe exists, and the one actually in place.

The matrix model, a well-known organizational structure, relies on multiple reporting relationships that can lead to confusion, divided loyalties and lack of a unified sense of direction. Based on the view that it is not possible to create unity of purpose through a single consolidated structure, the 1,190-bed Sunnybrook Medical Centre (SMC) in Toronto has derived its own matrix with three independent, yet interrelated, structures to avoid these negative consequences. For several years, Sunnybrook has followed various steps and methods to build a multiple reporting relationship accompanied by scope and responsibilities, and to integrate these three organizational structures or dimensions.

Three Background Steps

Sunnybrook's organizational model has evolved over time through three independent starting points. As the first step, the traditional structure was reflected in the line authority of the organization. Departments having similar activities are grouped under a director or vice-president.

In 1984, the second development, the strategic plan, was introduced. In the outline were concepts to involve physicians more closely in the management process and to develop a structure to ensure accountability for physicians' actions. Subsequently, an organization task force was created to implement this idea, which is being demonstrated now as a model in the surgical area.

The programmatic thrust has been the third development. Since the establishment of the Trauma Unit at SMC in 1976 and the Toronto-Bayview Regional Cancer Centre in 1979, attempts have been made to organize activities on a programmatic basis. This ordering became more refined after the work of the mission task force which delineated officially designated programs. By establishing program development groups, appointing program directors and creating organizational structures, a consistent model for program management emerged.

Extent of Responsibility of the Three Structures

Although the three initiatives developed somewhat independently, each structure was aware of the other two. In the process of becoming more formalized, the dimensions had to be consolidated to understand the role,

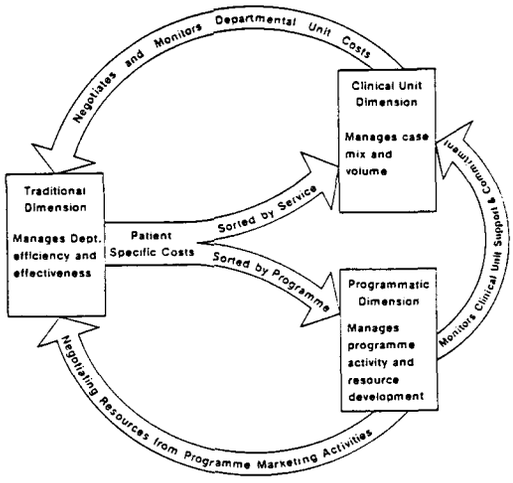
function and relationship of the others. The underlying principle of the organizational model at Sunnybrook is that it has three distinct dimensions, **each** of significant importance and **each** responsible for different aspects of overall operations.

Schematically, the model is shown best as a cube. Each face represents an organizational structure or dimension and has equal influence on the body of the cube – the critical mass of Sunnybrook Medical Centre.

Traditional Dimension: Department of Medicine, Finance, Food Services, Nursing, Pharmacy, Psychology

The traditional dimension or the hierarchical structure through which staff receive direct supervision, appraisal and discipline is responsible for managing the workload of individual departments (their "inputs" or services). This structure ensures that the benefits of professional integrity are maximized and that different professions are heard when patient care issues are discussed.

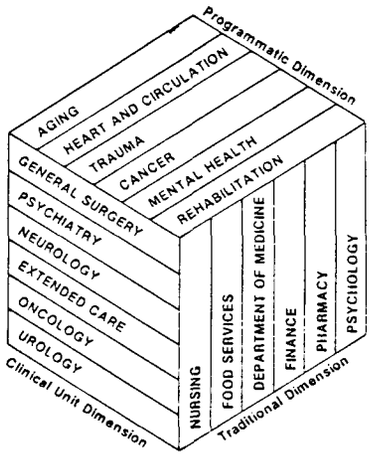
Figure 2: Matrix Interrelationships



One goal of the traditional dimension is to employ the inputs of the work units in the most **efficient** manner – the objective applies equally to pounds of laundry as to the number of patient consultations by the Psychology Department.

Besides distributing basic budget accountability for full-time equivalents and supplies to all departments, this structure handles all staff appointments and purchases.

Figure 1: Sunnybrook Medical Centre Organizational Model



Clinical Unit Dimension: Extended Care, General Surgery, Neurology, Oncology, Psychiatry, Urology

The clinical unit dimension is the organizational structure concerned with the hospital's "outputs", its patients. By organizing around a specific clinical service and acknowledging the physician's role as the gatekeeper regarding decisions that incur costs to the hospital, all services providing care to a specific group of patients with similar needs and requirements are brought together. In addition, this dimension manages the volume and case mix of physicians and ensures physicians' accountability. Since its focus is on a clinical service-specific basis, this structure should enhance patient care.

Budgets are allocated through a patient-specific costing system and are based on the cost of patient volume in the clinical unit dimension, which also deals with budget variances caused by patient volume. Negotiations with the traditional dimension determine staff mix and the clinical unit's cost of services which affect the actual cost of the unit's budget.

Programmatic Dimension: Aging, Cancer, Heart and Circulation, Mental Health, Rehabilitation, Trauma

The third development has been the programmatic dimension. The hospital has established six designated programs and program development groups to support their activities. By appointing program directors and creating an organization structure, a consistent model for program management has been established. This dimension supports, develops and co-ordinates other programs at Sunnybrook Medical Centre that are essential to its continuation as a major health sciences centre. Another chief function is the marketing of programs internally and externally to gain support and resources.

While the traditional structure manages the efficiency, and the clinical unit model the volume and case mix, their autonomy never allows a departure from stated hospital standards and Sunnybrook's overall mission. Structuring an organization around approved hospital-wide programs assures the overall standard of care and commitment. Each existing program or possible program is reviewed regularly for compliance in meeting criteria in clinical, research and educational activities.

Budgets and costs allocated to this dimension through the patient-specific costing system are based on **program**. This dimension ensures that a program is managed within predetermined funding and activity levels. To achieve the program goals and outcomes, the programmatic dimension management negotiates and monitors the necessary support of the clinical units and the traditional departments.

Staffing in the Organizational Structures

Each dimension has its own designated organization structure. The traditional structure, operating with various directors and department heads reporting to vice-presidents, is accountable for monitoring staff performance at Sunnybrook.

In the clinical unit structure, physician managers and nursing clinical unit managers are designated from existing Medical Department/Division heads and nursing unit managers, respectively. The third member of the triumvirate is the administrative director. Every administrative director is responsible for several clinical units. In multidivisional departments, the Medical Department head, director of nursing and administrative director all oversee the clinical units to ensure divisional activities agree with departmental goals.

Although the administrative director reports to the physician manager regarding the operation of the individual clinical units, this position has major accountability to the vice-president, Professional Services, for the overall performance of the clinical units in their individual mandates.

Similarly, the nursing clinical unit manager reports to the physician manager but retains a reporting relationship to the director of nursing for nursing issues. Physician managers are accountable through the vice-president, Medical Affairs.

In the program dimension, each program designates a clinical director and a program co-ordinator. The president selects the clinical director on the advice of an advisory committee; the executive vice-president appoints the program co-ordinator. If the program co-ordinator and the administrative director of a clinical unit have similar territories, the same person is responsible.

Programs are managed through the program development group. The program clinical director and co-ordinator will be members of an overall co-ordinating committee to be established under the auspices of the executive vice-president. Co-ordination of the marketing and development areas of programs is through the director of program planning.

Integrating the Dimensions

The dynamic that will develop among the three dimensions is essential to the success of the model. This dynamic will provide the checks and balances to maximize the use of the hospital's resources, while ensuring the institution's goals are being met. However, this dynamic could potentially lead to confrontation. Consequently, it is important to integrate the dimensions to provide the avenues to raise issues for satisfactory resolution. This opportunity exists through a number of channels:

Structural

All three dimensions report through one or more of the vice-presidents, thus allowing senior management a role in monitoring and, if necessary, intervening when conflict arises.

Program Development Groups

Program development groups for each program exist under the chairmanship of a vice-president. Membership consists of the major departments providing inputs to the programs and the clinical units treating the patients in the programs. This arrangement ensures that resources and issues relating to the growth of the programs can be resolved.

President's Council

The president's council includes senior management, medical

personnel, and its major support forum, the strategic planning committee. This body assesses all aspects of Sunnybrook's organization to ensure its goals are being reached.

Evaluation

In implementing the clinical unit dimension, SMC is fortunate that the University of Toronto received a National Health and Welfare grant to evaluate the effect of this model on the management of the institution and the care it provides.

As a result, the University of Toronto researchers will work closely with the hospital throughout the implementation of the remainder of the model and will generate useful feedback during the process.

Progress to Date

Already in place is the traditional organization. The clinical unit structure has been implemented in six surgical clinical units and in extended care. Further extension of this model depends on the evaluation taking place now, but it is anticipated that the clinical unit structure will be implemented throughout the hospital by the end of 1988. For the 1988/89 budget year, budgets have been allocated to the clinical units; the individual clinical unit management teams are using this information to carry out their responsibilities.

In the program management structure, the program development groups have been established. Currently, three programs are mature enough to allow the appointment of individual clinical directors and program co-ordinators. For the other programs, persons performing these functions during the development phase will be named in the next several months.

Commitment the Key

On first reflection, the organization evolution may appear complex. However, given the complex nature of any hospital environment and, in particular, a major institution with the scope and program scale of Sunnybrook, a simplistic approach to organizational structure will not work.

With the three distinct dimensions to manage and operate the institution, roles will be shared where possible for the purposes of co-ordination. However, it is important for the individuals in these dual roles to understand which interest is being represented at any particular time.

The challenge over the next year will be immense. The success in implementing the three dimensional organizational structures will depend on the commitment of the medical staff, and the middle and senior hospital management. This challenge presents great potential for Sunnybrook to demonstrate a new and innovative approach to management, thereby ensuring the best care, the best educational experiences, and the most innovative research capability.

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Le modèle matriciel de Sunnybrook—Un pas en avant

par Peter Ellis et Patrick M. Gaskin

Les organisations ont au moins trois structures : celle qui est écrite, celle que les gens se représentent et celle qui est réellement en place.

Le modèle matriciel, une structure organisationnelle bien connue, repose sur des rapports de subordination multiples qui peuvent mener à la confusion, à la subdivision des loyautés et à la perte d'un sens partagé de la direction à prendre. Le Centre médical Sunnybrook (CMS) de Toronto, qui compte 1 190 lits, est parti de la notion qu'il est impossible d'établir un objectif partagé par une seule structure consolidée et, pour éviter les conséquences négatives, il a développé sa propre matrice composée de trois structures indépendantes, bien que reliées entre elles. Depuis plusieurs années, Sunnybrook s'est inspiré de diverses positions et méthodes pour développer un système de rapports de subordination multiples assorti des compétences et des responsabilités nécessaires, auquel se sont intégrées les trois structures ou dimensions organisationnelles.

Un historique en trois étapes

Le modèle organisationnel de Sunnybrook s'est développé à partir de trois points de départ. D'abord, la structure traditionnelle se reflétait dans le système hiérarchique de l'hôpital. Les départements dont les activités sont semblables sont regroupés sous un même directeur, ou sous un vice-président.

En 1984, le deuxième point de départ, c'est-à-dire le plan stratégique, a été adopté. Ce plan mettait de l'avant des concepts visant à entraîner les médecins à s'engager plus sérieusement dans la gestion et à développer une structure qui assure que les médecins rendent compte de leurs actes. Ensuite, nous avons mis sur pied un groupe de travail organisationnel