Change: Transforming Healthcare Organizations

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Transforming Healthcare Organizations (Healthcare Quarterly, Nov 2006)
The Change Cycle

Alignment → Misalignment → Realignment
Transforming Healthcare Organizations

Stage One
- Goals
- New Behaviors
- Organization Architecture
- Systems

Stage Two
- Situational Analysis (Past and Present)
- Top Management Support
- Key Player/Stakeholder Analysis
- Change Leader Selection

Stage Three
- Goals & Tasks
- Structure
- People/HRM
- Rewards
- Information & Decision Support

Stage Four
- Monitor and Reevaluate
- Recognize/Reward
- Support
- Showcase Success
- Fine-tune Systems

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Stage One: Determine Desired State
(“Where will we be when we get there?”)

- Begin With the End in Mind
- New Direction
- Road Map
- Flexible Regarding Means
- Guides Decision Making
Stage One: Determine Desired State (cont.)

- Vision
  - Measurable goals
  - New behaviors
  - Administrative systems (organizational architecture)
  - Culture

*If you aren’t clear on vision, forget about trying to sell it to others*
Stage Two: Assessing Readiness for Change

- Situational Analysis to Understand:
  - Whether need for change is broadly recognized
  - Urgency (anticipatory? reactionary? crisis?)
  - Other change programs competing for attention/resources
  - The “need to do-can do” capability gap?
  - Stakeholders (Key Player)
    - supporters, fence-sitters, and blockers
    - positions vs. interests
    - networks
  - History of change
Stage Two: Assessing Readiness for Change (cont.)

- Effective/Appropriate Change Leader(s)
  - Influential (formal & informal)
  - Connected
  - Credibility
  - Personal conviction or motivation
  - Content expertise
  - Needed range of perspectives
  - Self-confidence
Stage Three: Build Desire and Capabilities for Change

- **Liking**
  - People like those who are like them
  - Uncover real similarities and offer genuine praise

- **Reciprocity**
  - People repay in kind
  - Give what you want to receive
Stage Three: Build Desire and Capabilities for Change

- **Social Proof**
  - People follow the lead of similar respected others
  - Use peer power whenever it is available

- **Consistency**
  - People align with their clear commitments
  - Make their commitments active, public, and voluntary
Stage Three: Build Desire and Capabilities for Change

- Authority
  - People defer to experts
  - Expose your expertise. Do not assume it is evident

- Scarcity
  - People want more of what they can have less of
  - Highlight unique benefits and exclusive information
Stage Three: Build Desire and Capabilities for Change

- Communication
  - Consistent message about means and ends (but tailored to audiences)
  - Anticipate concerns
    - “What is this change?”
    - “Why this approach and not another?”
    - “Why now?”
    - “How will the change affect me and my work?”
    - “Do I have the right skills, and if no, how will I get them?”
    - “Why should I support this change?”
Stage Three: Build Desire and Capabilities for Change (cont.)

- Communication
  - Multi-media and often
    - (e.g., formal presentations, “elevator talk”, e-mail updates, newsletters etc.)
  - Behave in ways consistent with vision
  - Address inconsistencies that undermine message
  - Two-way communication
  - Joint diagnosis
Stage Three: Build Desire and Capabilities for Change

- Establish Need for Change
  - Expose staff to successes elsewhere
  - Create stretch targets (achieved by other similar organizations)
    - (e.g., infection rates, re-admission, satisfaction)
  - Enlist others to make your case
    - (e.g., patient focus groups)
  - Institutionalize monitoring systems (e.g., weekly attendance reports)
Stage Three: Build Desire and Capabilities for Change (cont.)

- Issue selling
  - Trial-able and revisable
  - Divisible and staged
  - Concrete and tangible
  - Familiar
  - Congruent with other activities and goals
  - Marginal and incremental
Stage Three: Build Desire and Capabilities for Change (cont.)

- Coalition Building
  - Size: the larger the ramifications, the larger the coalitions
  - One stakeholder at a time
    - Use individual “pre-meetings”
    - Don’t let the uncommitted come together
    - No surprises -- no meetings where people hear something they’re not prepared for
  - Supporters need reassurance
Stage Three: Build Desire and Capabilities for Change (cont.)

- Tactics for Disarming opponents
  - Appealing to larger principles (and in public)
  - Inviting them in (i.e., co-opting)
  - Using emissaries to smooth the way, plead your case
  - Displaying support
  - Reducing stakes
Stage Three: Build Desire and Capabilities for Change (cont.)

- Goal Setting and Rewarding
  - Specific
  - Difficult
  - Accepted
- Specify Timeframe
- Monitoring Performance
- Rewarding
- Re-evaluating Goals
Stage Three: Build Desire and Capabilities for Change (cont.)

- Providing or Developing Capabilities and Resources
  - Selection and Reassignment
  - Training (technical, social, interpersonal)
  - Providing Resources
    - $$$$$, but not only $$$$$
    - Time (to train, to change)
    - Information
    - Technology
    - Outside Support (e.g., consultants, counselors)
Stage Three: Build Desire and Capabilities for Change (cont.)

Environment

Goals & Tasks
- objectives and means
- what do staff do?

Information and Decision Making
- performance data
- subjective vs objective
- reliability
- timeliness
- cost of obtaining
- accessibility

Structure
- functional, divisional, matrix
- team based
- interdependence
- (de)centralization
- formalization
- span of control

Rewards
- intrinsic/extrinsic
- amount
- base vs. variable
- individual, group, organization based
- risk

People/HRM
- selection
- training & development
- performance appraisal
- feedback & coaching

Culture

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- what do staff do?
Stage Four: Stabilize New Behaviors

- Continued Performance Monitoring
- Showcase Success
- Reward
- Recognize and Support Loss
  - (e.g., in downsizing)
- Fine Tune Re-aligned Systems
- Reconsider Goals in Light of Changing Environment
<table>
<thead>
<tr>
<th>Actions</th>
<th>Needed Support</th>
<th>Responsibility</th>
<th>Time Table</th>
<th>Required Resource</th>
<th>Success Criteria</th>
<th>Monitoring Mechanisms</th>
<th>Possible Modifications</th>
</tr>
</thead>
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A Recipe for Change
(Ambrose, 1987)

Vision + Skills + Incentive + Resources + Action Plan = Confusion

Vision + Skills + Incentive + Resources + Action Plan = Anxiety

Vision + Skills + Incentive + Resources + Action Plan = Gradual Change

Vision + Skills + Incentive + Resources + Action Plan = Frustration

Vision + Skills + Incentive + Resources + Action Plan = False Start

Vision + Skills + Incentive + Resources + Action Plan = Change
DETERMINE DESIRED END STATE

GOALS
New Behaviors
Organization Architecture
Systems

ASSESS READINESS FOR CHANGE

Communicate Need for Change
Show Benefits to Employees
Build Coalitions

BROADEN SUPPORT

ORGANIZATIONAL RE-DESIGN

Monitor and Reevaluate
Recognize/Reward
Support
Showcase Success
Fine-tune Systems

REINFORCE AND SUSTAIN CHANGE

Goals & Tasks
Structure
People/HRM
Rewards
Information & Decision Support

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