

Estimate of the Situation

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The Affordable Care Act and the Need for Constructive Change

Hospital culture can be among the most powerful barriers to positive internal change. That culture is defined by the perceptions and beliefs of physicians, managers, and employees. Reshaping those perceptions and beliefs is the essential first step in successful change management.

How Things Got This Way

First, consider the too-often disregarded differences between leadership and management:

- *Leadership* is the ability to generate support among others.
- *Management* is systematically planning, organizing, directing and controlling resources to obtain specific results within a defined time frame.

In the best of all worlds all managers would be effective leaders and all leaders would be effective managers, but this is seldom the case. Unfortunately, mastery of a profession or a technical specialty does not automatically confer management competence, even upon exceptionally talented natural leaders. Department heads promoted with little or no management training as a reward for superior performance in a profession or technical field are self-evidently more likely to act as leaders than trained managers. It should come as no surprise when they see themselves primarily as “lead professionals” seeking advancement of their departments’ specific interests rather than members of a unified management team working together to achieve the hospital’s goals.

Moreover, successful performance of the management function requires development of a particular mind set and operating focus.

- Professionals and technical experts have been taught to focus their attention on process at a level of precise detail whether the field is surgery, accounting, or radiography.

- Managers must focus more broadly on outcomes, delegating process detail to others.

Thus the professional or technician who aspires to management success must first “unlearn” the focus on detail and abandon the “hands on” work habits that earned the promotion to management in the first place!

Structure as a Dysfunction Multiplier

Specialty-trained department heads naturally tend toward the imposition of even more specialization to handle their new management responsibilities. Regrettably this organizational approach, one that makes perfect sense in the tightly-focused fields of science and technology, produces negative management outcomes because it ignores five essential considerations.

- The Span of Control Principle: An effective manager is capable of managing approximately 6 to 8 key result areas through the proper use of delegation. A lesser span of control results in the waste of valuable human resources.
- Decisions are best made at the lowest point in the organization where they reasonably can be made. Otherwise, upward delegation will follow resulting in delays and wasted upper management resources.
- The loss of management focus imposed through the addition of each successive layer of structure is geometric, not linear.
- One does not improve a complicated organization’s management capabilities by increasing its complexity.
- Resources consumed in organizational maintenance are not available to do the work of the organization.

A dysfunctional hospital culture produces a greater negative cost and performance impact on the organization than any other factor, including systems and work processes and resource availability. Changing that culture is the essential pre-requisite to meaningful performance improvement.

Establishing the Climate for Successful Change

Ironically, the dysfunctional hospital culture develops naturally as a result of intelligent, well-motivated department heads with leadership ability doing exactly what they had been trained to do. Problems arise in the dysfunctional culture, not because of ill will or malignant intent, but because nothing in the years of education required to master a profession or technical field

produces the required management focus or skill set among many who rise to management positions because of professional excellence and natural leadership ability.

People learn how to operate within any organizational culture as a result of the positive or negative feedback that the culture provides in response to behavior. We develop standard routines as a result of that feedback. Repeated feedback imprints the rules of the game upon us in powerful ways.

If it is to change its organizational culture, the hospital must change the rules of the game. It must alter the content of the feedback the culture generates in response to behavior. It must re-direct the focus of managers. The most expedient way to accomplish this is by establishing new routines for managers. The objective is to develop a management team that is unified from top to bottom, a team that works together to achieve the hospital's goals. Imagine what will happen when the management team, from the CEO down to shift supervisors, is united behind a common vision of hospital-wide excellence and committed to that vision's attainment. This management team will understand that the institution's interest differs from and transcends the combined interests of its constituent departments. This new vision requires a profound change in focus for those managers who have in the past seen advancing their departments' interest as the primary goal.

The importance of developing a management team uniformly focused on and committed to a set of concrete hospital goals cannot be overstated. It is an absolute prerequisite. The hospital can design the most efficient possible work processes, acquire the very best management information systems, and employ state-of-the-art medical technology, but unless the culture is prepared for change, improvement efforts will fall short.



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