Chapter 5

Reengineering, Mergers, and the Supervisor

If you proceed to reengineer without the proper leadership, you are making a fatal mistake. If your leadership is nominal rather than serious, and isn't prepared to make the required commitment, your efforts are doomed to failure.[1]

CHAPTER OBJECTIVES

- Define reengineering in practical terms, address its applicability, and identify the classic errors that have frequently undermined potential reengineering benefits.
- Define the impact of the present-day trend toward organizational mergers and affiliations on organizational structuring and address the important implications of this trend for the role of the supervisor.

REENGINEERING

What It Is, What It Is Not

Reengineering is a potentially powerful approach to improving operations. Smith[2] defines reengineering as "the redesign of processes and the systems, policies, or structures that support them." It means, quite literally, to engineer again, to go back to square one and start over as though there was nothing already in place. The ultimate goal may be increased productivity, reduced costs, improved quality, enhanced competitiveness, improved profitability, greater customer satisfaction, or some combination of these. Sometimes the ultimate goal, simply described but dramatically critical, is organizational survival.

Reengineering done properly ordinarily involves the entire organization of it. This is so because few if any departments, especially departments of a healthcare organization, operate in such isolation as to be self-contained. That is, virtually all departments and activities receive inputs from and send outputs to other departments, and changing the manner in which a department's outputs are structured affects the ways in which other departments do their work. An individual department is effectively an open system; that is, inputs and outputs freely cross system boundaries. It is of course possible to apply reengineering processes within a single department, but if that department is an open system, the effort may improve the internal workings of the department. However, it is also likely to create problems elsewhere in the organization. The ideal limits of a reengineering effort are those of a closed or semiclosed system, a system for which the only inputs and outputs crossing its boundaries are the clients who enter and the clients who leave. Within the system is a network of sometimes complex interrelationships among departments and services, and that which is done within one is likely to affect what is done in others.

Reengineering includes abandoning obsolete systems, involving departments in cross-functional teams, amalgamating jobs, discarding old rules and assumptions, introducing new technologies, and creating new principles for task organization. Reengineering invariably proves to be far more difficult than it first appears; many people find it extremely difficult to take their thinking back to square one and begin anew without being unduly influenced by the manner in which activities are pursued at present.

Reengineering as a term achieved buzzword status about two decades ago, and it is still used lightly—and incorrectly—to describe routine methods improvement: chart and study an activity, identify wasted time and effort, and create a more streamlined process. Concentration on present methods with a view to making them more efficient is not reengineering; it is method improvement. The critical focus of any reengineering activity is not on the existing process but solely on *the desired result*. The essential question is this: Starting from zero, what do I have to do to best achieve this result?

Reengineering is not the same as any of the other processes the names of which are thrown around as though they were synonymous with reengineering: downsizing, rightsizing, reorganizing, restructuring, and so on. The use of these terms and others interchangeably is unfortunate, because to an organization's employees all these terms have come to mean *some of us are going to lose our jobs*.

It is a fact that layoffs often occur as a result of reengineering; when reengineering fosters operating efficiencies it is often the case that fewer staff persons are required. So reengineering can indeed lead to downsizing, although downsizing is not the primary purpose of reengineering. Reengineering can also lead to centralization or decentralization of activities, structural changes in the organization, the formation of strategic alliances, and merger or other affiliation.

Reengineering and Leadership

Successful reengineering requires a leadership style that features participative management, delegation, employee empowerment, and self-directed teams. It also requires a great deal of sensitive employee relations; as noted, to a great many employees in today's healthcare organizations the mere mention of "reengineering" is suspect because it conjures up visions of layoffs. And employees who fear for their jobs are surely not best positioned to provide the enthusiastic participation that is so important in a reengineering effort. To be successful in a reengineering effort, management must tap the expertise of the rank-and-file employees, recognizing that few understand a desired result better than the person who pursues it every day.

Fully committed top management is absolutely essential for successful reengineering. Many a loudly heralded reengineering effort has suffered the same fate as numerous total quality management undertakings when top management, having begun with visible and apparently enthusiastic commitment, backed away and relegated leadership to a lower level of management after the first few weeks.

Interdepartmental Collaboration

How well departments work together is fully as important as the performance of individual departments. This is regularly illustrated in the treatment of patients in the emergency department. In this critical unit, collaboration of physicians and nurses with the laboratory, blood bank, respiratory therapy, radiology, and electrocardiographic services is essential. And it falls to the individual supervisor or manager to avoid territorialism, the tendency to protect one's own turf, and enter into collaborative efforts for the good of the total system.

Successful reengineering eliminates much monitoring, checking, waiting, tracking, and other unproductive work, leaving more time for doing productive work. In one hospital a cross-functional team cut patient admission waiting time by 17%. Another team at that facility reduced the paperwork process of hiring from an average of 9.5 days to 4.5 days.[3]

Many healthcare processes are complex and nonlinear and cannot be simplified into strings of quick sequential tasks. The desired result often requires a high degree of collaboration among individuals and functions. Processes often are more efficient if they consist of multiple operational channels. For example, a large emergency department may be more efficient if one section cares for major trauma cases, another handles minor injuries, and a third treats nonsurgical patients.

Signs of the Need for Reengineering

A current process may appear dysfunctional in that parts of it just do not seem to be working as they should. There may be chronic problems, frequent breakdowns,

excessive losses of time or money (for example, too much waiting in the admissions office, slow turnaround time for laboratory or radiology work), difficulties obtaining physician discharge notes, excessive inventory, or a breakdown in quality.

Another factor in identifying weaknesses that suggest the need for reengineering is the importance of any given process, such as an assessment of how seriously customer service, employee morale, or profitability is affected. Feasibility also enters into the equation. It is necessary to ask whether we have the wherewithal— the time, the skills, the material resources—to accomplish significant change. Is the desired change cost effective?

Hospital processes that will receive increasing attention are those that cut across departmental lines. Interdepartmental systems involve multiple compartmentalized functions, many different employees, and diverse priorities. Because of their complexity and the need for cooperation, these systems are the most difficult to modify, but they promise the greatest dividends in terms of time and money saved. Such processes may be as complicated as the handling of a trauma patient from the time of admission to the time of discharge, or it may be as simple as getting a blood transfusion for an outpatient.

Getting Ready

Rather than jumping directly into a reengineering effort, it is always helpful to see how other organizations have addressed the kinds of services and improvements that your organization will be dealing with. Visits to facilities that have reputations for outstanding service can prove valuable in that you can learn how others have approached desired results similar to yours. Also, this learning process can help you avoid certain obstacles that others have encountered and avoid making critical errors other might have made.

Consultants and Reengineering

Consultants of various kinds are overused or misused in many organizations, but reengineering is one broad area of need in which external consultants can often be used to considerable effect. The operative word is "external"; consultants can be useful in reengineering precisely because they are outsiders. The outsider's perspective is likely to be broader than that of the insider, and the consultant can be more open to input because the person from outside does not have the emotional or intellectual stake in present processes that the insider is likely to have. The external perspective can often clearly identify that to which the internal perspective is blind, and the outsider is usually more capable of focusing on desired results without being distracted by present methods.

Another important reason for the outsider's involvement in reengineering is found in a reasonably unbiased view of organizational changes that may appear to

be needed. Employees guiding a reengineering effort can hardly be expected to rec-ommend themselves out of their jobs should such drastic changes be indicated. The insider whose position or territory might be affected is ill-prepared to partic-ipate constructively in reengineering.

Classic Reengineering Errors

One classic reengineering error that has already been alluded to is attempting to apply reengineering within a specific department or organizational unit or attempt-ing to reengineer, as more than one organization has tried, a single department as a "model" or pursue an inappropriate decision to reengineer "one department at a time." Rarely is any single unit or department responsible for a whole process; reengineering must address an entire process, and in fact identifying the organiza-tion's primary business processes is a critical part of reengineering.

Another classic error is inaction, proclaiming a reengineering effort without actually doing it. If there is no more than a token bit of methods improvement activity and top management has done little more than talk, no true reengineering will occur and employees will come to see "reengineering" in a negative light.

An additional common mistake is being overly conservative, even timid, in redesigning systems. Successful reengineering requires imaginative, even daring, thinking. Breakthrough ideas do not come about when caution and conservatism rule the process. Reengineering requires radical approaches to process redesign; employees must be encouraged to reach for lofty goals and leadership must be open to considering any new idea no matter how far out it may seem initially.

Another commonly encountered error is allowing the reengineering effort to drag on for too long. Successful reengineering requires a great deal of work in a relatively short time; if the effort limps along for a year or longer, it will grind to a halt on its own. If months pass with nothing substantial to show for the activity, top manage-ment may lose faith and begin diverting resources to other competing needs.

It is also a mistake to restrict the scope of the reengineering effort by declaring some departments or functions off limits. Most process changes ripple through the organization, and it is not possible to do justice to reengineering's improved processes by deliberately shying away from making certain organizational changes.

Finally, and saving the potentially biggest mistake for last, a classic error is to underestimate the needs and concerns of employees. The people who are expected to cooperate with the reengineering effort, essentially everyone whether rank-and-file, first-line supervisor, or middle-manager, will be understandably threatened by what is seen as possibly significant change that can affect them and their future. Reengineering may have to be sold to them every step of the way; the improved process must offer some benefit to most people who are expected to embrace enor-mous change.

MERGERS AND AFFILIATIONS

Continuing Change

Reengineering and other changes affecting the manner in which the healthcare industry is organized for the delivery of care are driving changes in the role of the healthcare supervisor. Not many people are especially eager to make what are sometimes dramatic changes in the way they do their work, but usually the circumstances inducing change lie well beyond the control of the individual.

The more management structures and organizational patterns change, however, the more the supervisor's essential task of *getting things done through people* stands out unchanged. But *how* the supervisor's essential task is approached is changing at a sometimes bewildering pace. And a considerable amount of change in the fulfillment of the supervisor's role is being forced by changes in the healthcare organizational environment. A great deal of the environmental change has been driven by the movement to managed care as organizations have reacted to the pressure to deliver care more economically while having to compete with each other to do so. Much of the change that has affected the day-to-day fulfillment of the healthcare supervisor's role has come about as healthcare organizations have combined and grown through merger and acquisition.

With but a few notable exceptions, a few decades ago health care was essentially a cottage industry. What we referred to as the healthcare "system" was in actuality an informal network of providers who were loosely related by a common purpose. The acute care hospital was perceived by most as the center of the system, the focal point for the concentration of the more complex activities involved in preserving life and restoring health. Today, however, if one can even say at all that the healthcare system has a center, we would have to identify that center as the primary care physician as that role has evolved under managed care.

Since the second half of the 1960s, pressure has steadily mounted to contain healthcare costs that were increasing—and continue to increase—well in excess of the limits of so-called normal inflation. Much of this cost-containment pressure was aimed at reducing the duplication of facilities and services and improving the access to care while increasing the quality of service. Even today the signals to the industry remain clear: In the wake of increased regulation, rising consumer expectations, limited financial resources, and concern over costs, we are witnessing the decline of autonomous, individual institutions and the growth of new collaborative forms of organization.[4]

In most instances the first step on the road to creation of merged organizations was the sharing of services. Initially, administrative services were the most frequently shared, led by purchasing, electronic data processing, education and training, laundry, insurance programs, credit and collections, and management engineering. The

most commonly shared clinical services included blood banking, laboratory services, and diagnostic radiology. Sharing continued to expand, with the rate of growth for sharing administrative services exceeding that of clinical services.[5]

Overall, the general progression was from shared services to consortia engaged in various cooperative ventures, then in some instances to management contracts and eventually leases that entailed full management without ownership, then to decentralized ownership as represented by hospital "chains," and ultimately centralized ownership as represented by merger or acquisition.

Hospitals existed for years as autonomous, free-standing entities that were in control of their own destinies. Although in recent years many hospitals have entered into mergers with others or have joined healthcare systems, there remains a tendency for hospitals that are stable financially and in terms of market served to remain separate and independent. However, healthcare cost reform is making inroads into many institutions' long-standing financial stability and forcing "reform" in the ongoing delivery of care, resulting in the creation of financial problems sufficient to make some previously independent institutions seek some form of affiliation.

The growth and development of multi-institutional arrangements represents an attempt, through organizational integration and consolidation, to restructure the industry from within to effectively meet the challenges being faced.[6] In addition to combining or affiliating to form larger organizations, healthcare organizations are seeking more flexibility in work arrangements by substituting contracted services and employee leasing for permanent employees. Also, there has been a steady increase in outsourcing, the practice of going to outside suppliers for services formerly performed inside, primarily as a means of saving money.

There are obvious advantages to be gained through merger or affiliation. One of the first to be accessed is increased buying power whether for physical products, services, or employee benefits such as insurance. Another advantage lies in the creation of a single board of directors and management structure where multiples previously existed. Still another plus of combining organizations is the elimination of the duplication of resources and functions.

In some instances hospital mergers have been resisted for years on issues of community pride. Often, logic and common sense has dictated that two communities could best respond to the pressures mounting on the hospital system by combining their resources into a merged entity more efficient than either alone. However, their competitive postures regarding each other, a condition not uncommon between hospitals in the same town or in adjoining communities, has precluded agreement to come together as one or both refuse to surrender any part of their individual identity. Some organizations that should logically have been merged with others have held out for so long that they failed financially or were forced to close for other reasons. Occasionally, some boards of directors have resisted merger

for so long that, when they finally agreed to do so, there was hardly anything remaining that was worth acquiring.

Most transactions such as those just described may legally be mergers but they will likely be seen as acquisitions by some managers and employees. Usually, the larger organization is perceived as acquiring—even swallowing up—the smaller. However, people in the smaller organization may conscientiously refer to the process as a merger and vocally reject the notion of being absorbed by the larger organization, often doing so out of fear of the impending loss of their individual organizational identity.

Essentially, all benefits sought through various organizational combinations are, at their most elementary level, financial. Some are clearly economic, such as the scale economies of a larger organization and perhaps the increased borrowing power of a larger corporation. Some relate to staffing issues or the sharing of services, ultimately affecting direct costs. Other benefits, like access to larger markets, increased referral base, and expanded political clout, all have at their core financial reasons driving them.

Dark Times Ahead?

Most of the time reduced staffing is one of the results of a merger. Also, even if reduced staff is not a merger goal some amount of reduction ordinarily results from the establishment of scale economies. Therefore it should come as no surprise that talk of a potential merger immediately gives rise to fears of potential job loss, and the closer to actuality the merger progresses the more intense this fear becomes.

Because an overwhelming number of mergers do indeed result in layoffs of both managers and rank-and-file staff, many employees have good reason to feel uneasy when merger is in the offing. To many employees at most organizational levels, impending merger appears as doom on the horizon—even if the merger does not do away with their positions, at the very least it will change, perhaps drastically, the way they perform their jobs. But few organizations can realistically offer a no-layoff guarantee in advance of a merger, nor will many top managements attempt to do so.

Cultural Effects

Economic factors loom large in considering merger or affiliation, but often the issues of whether cultures mesh or not are overlooked. Financial and operational issues are usually prominent in considering merger or affiliation, but, similar to the manner in which reengineering is sometimes approached, often there is insufficient consideration of people issues. Decision makers are ordinarily using so-called hard data in assessing the worth of a merger situation, and whether consciously or

unconsciously they do not want to risk clouding the situation with people issues that are invariably seen as "soft" and are thus arguable.

Corporate culture issues must be examined in advance of a merger or affiliation because they can sometimes indicate whether a particular deal will or will not work. However, most mergers are usually undertaken with little or no consideration of cultures. It then becomes necessary to attempt to structure a hybrid culture incorporating the elements of the cultures of both parties even though most employees perceive one culture or the other as dominant. It is more frequently suggested that healthcare collectives are so focused on increased size that they are no longer appropriately serving people concerns. Many healthcare enterprises, it is claimed, have grown beyond human scale and lost their focus on the daily life-and-death struggles occurring within their walls.[7]

Cultural change is always difficult, usually painful, and invariably much more involved and time consuming than anyone expects. After a merger it is necessary to create a blended culture, and doing so requires plenty of time. Even when one organization is so small as to be perceived as totally absorbed by the other, it nevertheless takes time for the remnants of the old culture of the smaller to assimilate.

Effects on the Supervisor's Role

When a merger or affiliation is happening, in spite of how well executive management and the corporate directors believe communication is occurring, at the nonmanagerial staff level most people will feel largely in the dark. Because people feel left out, a significant proportion of them will automatically resist the changes that are occurring. And it is true in many supposedly stable organizations, and especially true in organizations undergoing merger, that the people in upper management have very little understanding of what is actually in the minds of the workers at the bottom of the organizational structure.

Most people feel the need to be in control of their circumstances or to at least feel as though they have some measure of control, but employees become aware—often painfully so—that a corporate merger is totally beyond their control. So people resist that which they fear and that which they cannot control, often with all the determination they can command. It may well be that resistance is no more or no less than people's need to protect themselves from harm.[8] And human resistance can be an extremely potent force; it is claimed that more than one half of all changes attempted within organizations fail.[8]

Mergers and affiliations usually result in layoffs, and layoffs can affect supervisors and managers as well as rank-and-file staff. In many merger situations management salaries are a source of considerable savings due to the elimination of duplicate management. Consider, for example, the merger of Hospital A with Hospital B. Both were small acute care facilities serving a semirural population. After

the merger took place, where once there were two human resource managers, there was one and where once there were two physical therapy managers, there was one. Two each of several other service managers became one. Within a few weeks nearly half of the two hospitals' combined management was eliminated. The few related costs that had to be reckoned with as additions, primarily travel between facilities and a few other considerations, were inconsequential compared with the cost of the duplicate management positions that were eliminated.

Except at the highest organizational levels, an individual in management is both a worker and a supervisor of other workers, so the first-line supervisor is both management generalist and functional specialist. However, when a supervisor's territory is expanded, the supervisor will find it necessary to become *more* manager and *less* worker. Under these circumstances something has to give.

Among the first things to give are some concepts upon which many of today's managers were educated, specifically, *unity of command*, *span of control*, and *visibility and availability*.

The previously inviolate concept of *unity of command* has given way in many instances to split-reporting relationships. Such relationships, in which one person reports to two or more superiors, are now common in merged organizations and multifacility systems. *Span of control*, referring to the breadth of responsibility and the number of employees that a supervisor can effectively handle, is continually tested as supervisors find themselves with dramatically expanded "territory" over which they must exercise control.

It has long been considered important for the supervisor of a group to maintain a significant level of *visibility and availability*. To a considerable extent many employees take some level of comfort from the fact of the supervisor's regular presence; that person is seen as reachable when needed and usable as a resource. For many, visibility and availability presented no problems when supervising and working with a specific group in a single location. After merger and reorganization, however, the supervisor may be forced by expanded responsibilities to be less visible on a regular basis and thus less available to the staff.

Another common feature of reorganizing as it occurs in today's environment, whether happening via merger or affiliation or within the context of "reengineering," is *flattening* of the management structure. Flattening refers to the effects on an organization chart when layers of management, most particularly those referred to as "middle management," are eliminated. On occasion when flattening accompanies the reorganizing that is part of the fallout of a merger, there is some vertical integration of responsibilities as well as the horizontal integration of duties that happens when two comparable management positions become one. This creates additional pressure for the person in the supervisory position to become more of a manager and thus less of a worker.

Overall, the increased scope of the supervisor in the merger situation brings a number of changes in how the supervisor functions. This expanded scope necessitates the following:

- More time spent managing and thus less time spent doing nonmanagerial work
- More planning and organizing on an ongoing basis
- Greatly increased need to practice proper delegation
- Increased attention to the priorities among a greater number of responsibilities
- Improvements in one's ability to use time effectively
- Constant attention to personal organizing for effectiveness
- More people to oversee and all that goes with this (meaning more performance appraisals, more disciplinary actions, more people problems in general)

The Supervisor Adapts

The easier parts of organizational change usually involve processes, methods, procedures, tools, structures, and such. The more difficult parts of change involve human reactions: attitude, commitment or lack thereof, and resistance.

It is relatively easy for the supervisor in the merger situation to become spread too thin, to be too easily led into trying to do too many things at once. When this occurs it is frequently the supervisor's newly expanded staff that suffers for lack of attention. It is necessary to remember that for a significant proportion of the staff, specifically those people who used to report to the other supervisor, *you* may be one of the most significant causes of resistance: You are the unknown quantity. A change in department leadership is virtually guaranteed to be accompanied by uneasiness that shows up as resistance, especially if the incoming supervisor is a stranger to the surviving staff.

As one's staff increases so do the potential people problems increase and so do the number of staff-related duties increase. With more people to supervise comes the need to establish and maintain the all-important one-to-one relationship with more employees. This relationship with each employee is a critical aspect of maintaining employees as effective producers, yet the supervisor in the merger situation is likely to be affected by an increase in nonpeople concerns as well. In short, in this new situation the supervisor will likely have more people to be concerned with and less time to devote to people concerns.

From an individual supervisor's perspective, three major enemies of productivity are personal disorganization, inadequate planning, and procrastination. Productivity depends on attention to *priorities*; no matter how much work there is to do, at any given time one can do no better than focusing on the single most important task in the pile. Because the job will appear as an endless series of demands, one can only ensure that the demands left unaddressed are of lowest priority.

In many instance the supervisor of a merged function will be split between two staffs in two locations. This alone makes proper delegation absolutely essential. With more and more to do it becomes increasingly obvious that the supervisor cannot do everything, so it is necessary to take the time to educate and properly delegate and get the most effective performance from those employees who are capable of expanding their scope. Employee development takes on new importance and may include the development of some capability for backing up the supervisor at each site.

Also, moving between sites makes travel part of some of the supervisor's days. With time consumed in travel the supervisor may feel the pressure to either become more efficient or to compensate by allowing the workday to lengthen. Also, the supervisor who moves between sites should expect to experience a few occasions when the item or document needed at the moment is at the other location.

The key to the effective management of people may well lie in the supervisor's conscientious use of *deadlines and follow-up*. There are two simple parts to this: First, *any task worth assigning is worth a specific deadline*, and second, *never let a deadline pass unanswered without following up*. However, it is essential that deadlines are reasonable so that staff can respond without reacting to undue pressure from the supervisor due to procrastination or delay.

More than ever the supervisor in the merger situation needs to be proactive and exercise control of the job each and every day. The supervisor who assumes a reactive posture in these expanded circumstances quickly becomes spread out and used up. In other words, in the merged organization it is necessary for the manager to get organized and stay that way.

When the Dust Settles

It was stated earlier that mergers are driven largely by financial issues and other "hard" data and that all too often the human issues—the "soft" side of the merger—are overlooked or afforded too little attention. Too often the focus on organizational growth is accompanied by the failure to encourage the development of the needed culture of operational excellence. There is, however, a strong need for a culture of continuous quality improvement. Without such, as organizations grow and their activities expand, quality problems also expand as a function of size.

Too often a great many of the problems and issues to be faced in making one organization out of two or more are never evident to the executives and trustees who decide to merge. Because the executives and trustees operate at a macro level their view is ordinarily one of being outside looking in, but to the first-line supervisors, middle managers, and rank-and-file employees who must do the organization's work the view is entirely different. Those inside see what the external decision makers do not see.

Consider again the merger of Hospital A with Hospital B, two small acute-care facilities just a few miles apart, both providing the same services to the people in overlapping service areas. Several physicians were on staff at both, and a few employees of A worked part-time or per diem at B and vice versa. Externally, it looked like a simple merger of two likes. Internally, however, there appeared to be vast differences of two kinds. First were the differences encountered in the *details of task performance*, necessitating the application of extensive unanticipated effort in merging methods, procedures, policies, practices, and such. This entailed resolving many conflicts based on "our way" versus "their way." Then there were the *cultural differences*. Hospital B, the larger of the two, had experienced several years of severe financial difficulty and had undergone three significant staff reductions in 4 years. The culture of B reflected pessimism, insecurity, and defeat. Hospital A, the smaller, had been fiscally sound right up to the point of the merger and had never experienced a staff reduction in its history. The culture of A, having long reflected optimism, suddenly gave rise to resentment at being "absorbed" by the larger or being "used to save B from bankruptcy." There was considerable clash of attitudes when the staffs were merged.

In the last analysis, whether it is the merger of two small provider organizations into one or the creation of a major healthcare system from a dozen formerly separate organizations, human values must rank high among the governing concerns. If human values are not prominent in forging the merged organization or system, it follows that these values are not likely to be prominent in either the regard for employees or the delivery of service. It remains for the supervisor who is caught up in a merger situation to be ever mindful of human values in the provision of service to people (patients) through people (employees).

Think About It

An impending reengineering effort or merger of two or more organizations invariably causes unrest and uncertainty among a work group's employees. It is up to the supervisor, who may privately share the employees' concerns, to put an optimistic face forward, emphasize whatever positives there may be, and provide the leadership needed to navigate difficult times.

Questions for Review and Discussion

1. Explain how you would respond to an employee who says to you "Don't hand me this reengineering stuff. That's just a fancy way of saying you're going to cut staff"?
2. What is vertical integration of responsibilities? Horizontal integration of responsibilities?
3. Why is the prospect of a major reengineering effort or a merger of organizations stressful to rank-and-file employees and supervisors alike?

4. Organizations undergoing significant reengineering efforts often engage the services of an outside consultant. Why do you believe this is done?
5. Why should a supervisor make regular use of reasonable deadlines for employee assignments, and why is follow-up on such deadlines crucial?
6. When two departments are combined under a single supervisor, how does the supervisor adapt to this change without automatically working significantly longer hours?
7. Why is reengineering often more difficult than expected? Explain, using an example.
8. The environment within which an individual supervisor must work is often subject to significant change, so how can we legitimately say that the supervisor's essential task remains constant?
9. Explain what is meant by "the soft side of management" and further explain why attention to it is of extreme importance.
10. Why does a supervisor's visibility and availability remain important even at times when the staff are experiencing no problems and raising no questions?

Essay Question: What to Tell Your Staff?

You have just returned to your department after a meeting of the hospital's entire management: you and your fellow first-line supervisors, all middle managers and clinical service directors, and the chief executive officer and administrative staff. At this meeting you learned the board of directors recently voted to merge the hospital organization with the only other hospital in your county, a facility roughly twice the size of yours. You were further told that without this merger your hospital would descend into bankruptcy within 1 year. You have been directed to hold a department meeting to advise your staff of the merger. You are well aware that a sense of rivalry, at times reflected in antagonism and dislike, has existed between your hospital and the other institution for many years. Also, because no merger agreement is concluded overnight, you are seriously wondering why events leading up to the merger had apparently been kept secret. Before convening your department meeting you take some quiet time to think about the points to cover with staff and how to put them across.

Write out the essence of your announcement to your employees, including questions you can anticipate from them and how you will respond.

Case: "I Think They Hate Me"

The county's two hospitals, about 10 miles apart, were long-standing rivals with overlapping services areas. To the dismay of many employees at both facilities, these hospitals were merged into a single organization. For several years you had been the supervisor of the business office at the smaller of the two hospitals, but after consummation of the merger you became supervisor of the combined department. Because the other facility had a larger business office, your total staff complement nearly tripled. It was decided that you

needed to move between locations on a daily basis, spending the morning at one place and the afternoon at the other, and that once things had "settled down" you would become involved in determining the feasibility of centralizing some of the department's function.

The supervisor who was displaced at the larger facility was relatively new at the job but reasonably well liked; however, you received the combined supervisory job after a series of interviews with higher management. On each of your first several afternoon visits to the other facility's business office you were greeted with extreme resentment, rudeness, and unwilling cooperation. No one extended themselves to help you become acclimated, and questions you asked were answered brusquely or not at all.

As you conveyed to a friend at your home facility, "I don't know how I can get anywhere with that bunch at the other place. They resent me like crazy; at times I even think they hate me."

Instructions

Outline the approach you believe you might follow in attempting to win over the staff of the larger business office or at least get them to constructively cooperate. At what stage, if at all, would you consider involving your immediate superior, the merged organization's finance director, who appears to be having his own problems with combined employee groups?

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