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CHAPTER 2

The Challenge of Change

CHAPTER OBJECTIVES

- Identify the impact of change on organizational life.
- Identify the manager's role as change agent.
- Review examples of successful change.
- Examine a major change having ongoing impact.
- Describe the organizational change process.
- Identify specific strategies for dealing with resistance to change.

THE IMPACT OF CHANGE

The trends and issues noted in Chapter 1 reflect reality: Change in the health care environment is continuous and challenging. Its reality is reflected in every stage of the life cycle of the organization, as well as in its attendant survival strategies. Trends and issues intensify, becoming mandates for change in patient care, the setting, the administrative support. This affects the workers at all levels. Such changes consume financial and administrative resources; they have the potential of draining emotional and physical energy away from primary goals. Thus the managers accept the role as change agents, seeking to stabilize the organization in the face of change.

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THE MANAGER AS CHANGE AGENT

Managers, as the visible leaders of their units, take on the function of change agent. This change agent role involves moving the trend or issue from challenge to stable routine. This is accomplished in several ways:

- Mediating imposed change through adjusting patterns of practice, staffing, and administrative routines
- Monitoring horizon events through active assessment of trends and issues
- Creating a change-ready environment
- Taking the lead in accepting change

REVIEW OF SUCCESSFUL CHANGE

A manager fosters a change-ready environment by reminding the work group of successful changes. This raises the comfort level of the group and provides insight into strategies for achieving desired outcomes. Six examples are provided here to illustrate the process of successful change:

- Y2K—change as opportunity
- The Patient Self-Determination Act of 1990 (PSDA)—the routinization of change
- HIPAA—extensive change via legislation
- Electronic health records—proactive change
- Economic and market forces—anticipatory readiness through organizational restructuring
- Disruption in personal circumstances—revitalization through career development

Change as Opportunity: Y2K

Recall the transition to this new century: Y2K. The phrase alone reminds us of successful responses to an inevitable change. It also reminds us of the pre-Y2K concerns about technology-dependent systems: Would they work? Faced with the possibility of massive systems failure, managers carefully defined the characteristics of this anticipated change:

1. A definitive event with an exact timetable
2. Well known ahead of time (three- or four-year run-up)

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3. Unknowns or uncertainty mixed with known technical aspects—which systems might fail; what would the resulting impact be (e.g., failure of power grids; communication disruption; financial infrastructure chaos)

During the run-up to Y2K, managers assessed the potential impact and planned accordingly. Furthermore, many managers seized the opportunity to make even bigger changes. When the cost of upgrading some existing systems was compared with adopting new systems, managers chose to spend the money and time on a comprehensive overhaul.

Funding such a major project became part of the challenge. Many chose a combination of borrowing, along with "bare bones" budgets, with deferred maintenance and elimination of discretionary projects (e.g., refurbishing) to meet this need. The end result in many organizations was the adoption of new, well-integrated computerized systems. This overall plan of upgrading was supplemented with contingency planning closer to the December 31, 1999, deadline. Managers took such practical steps as:

- Eliminating all backlogs (e.g., coding, billing, transcription)
- Pre-registering selected patient groups (e.g., prenatal care patients)
- Obtaining and warehousing extra supplies
- Adjusting staffing patterns for the eve of Y2K and the days immediately following it, with workers available and trained to carry out manual backup for critical functions

Managers also took the opportunity to review and update the emergency preparedness and disaster plans for the health care organization. Again, the anticipated Y2K change was the catalytic agent for renewed efforts in these areas. Y2K came and ran its course; the change was absorbed with relative ease because of careful planning.

The Routinization of Change: The Patient Self-Determination Act of 1990

End-of-life care and related decisions have always been a part of the health care environment. However, technological change (e.g., advances in life support systems) along with definitive court cases (e.g., *Quinlan, Cruzan,* and *Conroy*) led to a renewed interest in these issues. This interest, in turn, resulted in the passage of the Patient Self-Determination Act of 1990, which had implications for patient care as well as the administrative support systems.

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The response to this change was orderly and timely because the health care providers and the administrative teams assessed the change in a systematic manner. This strategy of absorbing change through rapid routinization into existing modes of practice included:

1. Outreach to clients or patients and their families, along with the public at large, to provide information and guidance about health care proxies, advance directives, and "living wills." Information about support services such as social service, chaplaincy, and hospice care was included as part of the regular client/patient education programs.
2. Review and update of Do Not Resuscitate (DNR) orders and related protocols for full or selected therapeutic efforts.
3. Review of plan of care protocols for "balance of life" admissions.
4. Increased emphasis on spiritual and psychological considerations of patients and families, with documentation through values history or similar assessments.
5. Renewed involvement of the ethics committee of the medical staff to provide the health care practitioner, patient, and family with guidance. The committee also adopted review protocols to assess patterns of compliance with advance directives and end-of-life care.
6. Documentation and related administrative processes augmented to reflect the details of this sequence of care—for example, documentation that an advance directive was made; movement of the document with the patient as he or she changed location; flagging the chart to indicate the presence of the directive. Existing policies and procedures were updated to reflect these additional practices.

The changes stemming from this law were easily managed through systematic review and adjustment of existing, well-established routines. Because response to legislated change is often required, it is useful to examine yet another such mandate. A consideration of HIPAA reflects a different dynamic in the organizational process of responding to new requirements.

Extensive Change via Legislation: HIPAA

The Health Insurance Portability and Accountability Act of 1996, known commonly by the acronym HIPAA, crept inconspicuously upon the scene as Public Law Number 104 of the 191st Congress (PL 104-191). When it was a newly passed law, its most visible portion was broadly described by the name of the law, addressing primarily "portability" of employee health insurance.

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The intent of HIPAA was to enable workers to change jobs without fear of losing health care coverage. It enabled workers to move from one employer's plan to another's without gaps in coverage and without encountering restrictions based on preexisting conditions. It proclaimed that a worker could move from plan to plan without disruption of coverage.

In 1996, not a great many health care managers concerned themselves with HIPAA. Human resources managers became most aware of the new law because it concerned their benefits plans, but the burden of notification was borne mostly by the employers' health insurance carriers so there was little to do other than answering employees' questions. For many managers, the employer had no concerns about HIPAA beyond ensuring health insurance portability. But HIPAA's major impact was to come later, and its arrival was a genuine eye-opener for many.

Title II in the Spotlight

This law consists of five sections. Titles I, III, IV, and V deal with employee health insurance, promote medical savings accounts, and set standards for covering long-term care. Title II is the section driving most HIPAA-related change. This section is called "Preventing Health Care Fraud and Abuse, Administrative Simplification, and Medical Liability Reform." It is referred to as just "Administrative Simplification," a term that is misleading at best; for many of the organizations that have had to comply with it, the effects have been anything but simple.

"Administrative Simplification" included several requirements designated for implementation at differing times. Compliance with the Privacy Rule, the most contentious part of HIPAA, was required by April 14, 2003. Compliance with the Transactions and Code Sets (TCS) Rule was required by October 16, 2003, and the Security Rule was set for implementation in April 2005.

Nearly all of the controversy over the intent versus the reality of HIPAA involves the Privacy Rule. In trying to strike a balance between the accessibility of personal health information by those who truly need it and matters of patient privacy, portions of HIPAA have created considerable work and expense for health care providers and organizations that do business with them, not to mention creating inconvenience and frustration for patients and others.

The Continuing Privacy Controversy

Reactions to the Privacy Rule were numerous. Patients and their advocates claimed that these new requirements were forcing a choice between access to medical care and control of their personal medical information. Government, however, claimed that the rules would successfully balance patient privacy against

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the needs of the health care industry for information for research promoting public health objectives and improving the quality of care.

When HIPAA's privacy regulations first received widespread exposure, hospitals, insurers, health maintenance organizations, and others claimed that the Privacy Rule would impose costly new burdens on the industry. At the same time, Congress was claiming that HIPAA's protections were immensely popular with consumers. Consumer advocates hailed the Privacy Rule as a major step toward comprehensive standards for medical privacy while suggesting that it did not go far enough.

To comply with the Privacy Rule, affected organizations were required to:

- Publish policies and procedures addressing the handling of patient medical information
- Train employees in the proper handling of protected health information
- Monitor compliance with all requirements for handling protected health information
- Maintain documented proof that all pertinent information-handling requirements are being fulfilled

In many instances the HIPAA privacy requirements are causing frustration for patients and others. For example, a spouse who has to help obtain a referral or follow up on a test result cannot do so without the signed authorization of the patient (unless the patient is a minor). Anyone other than a minor or a legally incapable or incapacitated individual must give written permission for anyone else to receive any of his or her personal medical information.

There are a number of instances in which personal medical information can be used without patient consent. These instances, along with all patients' rights concerning personal medical information, must be delineated in the Privacy Notice that every provider organization must provide to every patient.

Effects on the Organization

All health care plans and providers must comply with HIPAA. Provider organizations include physicians' and dentists' offices; hospitals, nursing homes, and hospices; home health providers; clinical laboratories; imaging services; pharmacies, clinics, and free-standing surgical centers and urgent care centers; and any others who provide health-related services to individuals. Also required to comply are other organizations that serve the direct providers of health care—for example, billing services and medical equipment dealers. All affected organizations must:

- Protect patient information from unauthorized use or distribution and from malfeasance and misuse

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- Implement specific data formats and code sets for consistency of information processing and preservation
- Set up audit mechanisms to safeguard against fraud and abuse

All subcontractors, suppliers, or others coming into contact with protected patient information are also required to comply with the HIPAA Privacy Rule. In addition, all arrangements with such entities must define the acceptable uses of patient information.

Depending on organization size and structure, compliance with the HIPAA Privacy Rule could involve several departments (as in a mid-size to large hospital), a few people (as in a small hospital or nursing home), or a single person (as in a small medical office). Overall, whether compliance is accomplished by separate departments or just a person or two, compliance can involve a number of activities, including information technology, health information management, social services, finance, administration, and ancillary or supporting services.

The necessary changes have been numerous and have added to the workload in every affected area. Providers must now obtain written consent from patients or their legal representatives for the use or disclosure of information in their medical records. Also, providers are now legally required to disclose when patient information has been improperly accessed or disclosed.

The Privacy Rule created a widespread need for health care providers to revise their systems to protect patient information and combat misuse and abuse. Providers now must protect patient information in all forms; implement specific data formats and code sets; monitor compliance within their organizations; implement appropriate policies and procedures; provide training all in HIPAA's privacy requirements; and require the organization's outside business partners to return or destroy protected information once it is no longer needed. And it is not enough simply to do everything that is supposed to be done: There are also a number of documentation requirements as well. Even a provider organization's telecommuting or home-based program must be HIPAA compliant.

Physical Layout Considerations

The HIPAA Privacy Rule has necessitated changes in physical arrangements to ensure that no one other than the patient and caregiver or other legitimately involved person knows the nature of the patient's problem—or even, for that matter, that the specific individual is a patient. Medical orders or information about an individual's condition must be conveyed with a guarantee of privacy. Numerous organizations had to move desks or workstations, erect privacy partitions, provide sound-proofing, and make other alterations so that no one other

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than those who are legally entitled to hear may overhear what passes between patient or representative and a legitimately concerned party.

The Privacy Official

Every health care provider organization must have a person designated to oversee HIPAA compliance. In a large organization, this position could be filled by a full-time HIPAA coordinator; in a small organization like a medical office, the task might be an additional responsibility of the office manager. This person must monitor all aspects of compliance and ensure that appropriate policies and procedures are maintained and kept current. Professional associations, including the American Health Information Management Association (AHIMA), have developed detailed position descriptions and guidelines for privacy officers.

The Department Manager and HIPAA

Depending on the nature of a department's activity, HIPAA's requirements could significantly affect the manager's role. For example, in addition to most managers' involvement with the Privacy Rule, someone managing in health information management (HIM) must be concerned with the Transactions and Code Sets (TCS) Rule. A manager within information technology or information systems will be significantly concerned with the Security Rule because of its relevance for information stored or transmitted electronically.

As with other laws affecting the workplace, there is much more to compliance with HIPAA than simply putting policies, procedures, and systems in place. Some HIPAA regulations are complex, and in the most heavily affected areas of an organization considerable training can be required. Also, HIPAA necessitates some training for most staff regardless of department; anyone who comes into contact with protected patient information must receive privacy training. As a consequence, most managers will be both trainees and trainers, learning HIPAA's privacy requirements and communicating them to employees.

Not Going Away

Some HIPAA requirements continue to be amplified, and it is clear that the law's basic privacy requirements are here to stay in one form or another. Privacy rules will continue to affect every physician, patient, hospital, pharmacy, health care provider, and all other entities having contact with patient medical information in any form. The American Recovery and Reinvestment Act of 2009 (ARRA) and the related Health Information Technology for Economic and Clinical Health Act (HITECH) amplify privacy practices, with particular emphasis on breach

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notification. The breach notification provisions include detailed regulations touching on the following issues:

- Notification of individuals if there is significant risk of financial, reputational, or other harm
- Time frames and manner of notification
- Tracking and reporting
- Internal compliance monitoring systems

The Health Insurance Portability and Accountability Act has brought with it a considerable amount of unwelcome, unwanted, and frequently burdensome change affecting the jobs of many health care managers. Since the requirements of HIPAA are government mandates, the individual manager has no option but to comply. The manager's challenge, then, is to conscientiously approach the necessary changes in the role and incorporate them so that they are addressed as efficiently and effectively as possible.

As an unexpected positive outcome of HIPAA-related actions, the health information management environment has been primed to undertake major efforts in expanding electronic health records.

A Study in Proactive Change: Electronic Health Records

Implementation of electronic health records reflects a proactive approach to change. The application of technology to enhance the creation and use of health care information has been a welcome advance. Health information managers have embraced the opportunity to link this challenge to their ongoing vision and mission. Yes, the technology is continually evolving, but the underlying principle is enduring: quality health information for use in patient care, research, and administrative support. Legislative mandates requiring universal adoption of electronic health records further reinforce this ongoing professional mission.

Health information practitioners have taken leadership roles in their workplaces and through their national association, AHIMA, along with its state component organizations. The overall strategy is five-fold:

1. Individual initiative within the workplace
2. Advocacy in the public arena
3. Partnership with key stakeholders
4. Outreach to clients and patients
5. Continual adjustments to information systems

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Individual Initiative

Within the workplace, individual health information managers have steadily adopted computer technology to support basic operations. Work flow and processes have been gradually converted over time, including automated master patient indexes, coding and reimbursement processes, digital imaging, and speech recognition dictation. The internal administrative systems have served as building blocks for the expansion of computerized systems to include the electronic health record. While individual initiative continues to be an important facet of this transition, fostering change through advocacy has been primarily an organized group effort through the national association, AHIMA.

Advocacy in the Public Arena

External forces, particularly law and regulation, are affecting the process of developing electronic health records. It is essential, then, that professional practitioners help shape the debate, contributing their knowledge and expertise through organized efforts. Regular interaction with lawmakers and regulatory agency officials has been central to this process. Participation in work groups, task forces, and special initiatives has been steady. Landmark events bear the imprint of such involvement, including the Centers for Disease Control and Prevention's Public Health Information Network to implement the Consolidated Health Informatics Standards; the Public Health Data Standards Consortium; the Department of Health and Human Services (DHHS); American Health Information Community and its initiatives toward creating a national health information network; and the Certification Commission for Healthcare Information Technology.

Partnerships with Key Stakeholders

The health information profession has long been the authoritative source of practice standards. With the advent of electronic health records, many of the questions that have arisen are variations of issues with which HIM practitioners have successfully dealt. Those experiences have prepared HIM practitioners to offer guidance in such areas as documentation content and standardization, authentication of documentation, informed consent, accuracy of patient information, access and authorized use of data, and data security.

AHIMA has developed a series of position papers, statements of best practices, and guidelines for these and related topics. This organization has strengthened its efforts through partnership with key stakeholders, as the following examples demonstrate:

- American Health Information Community (DHHS)—standards for electronic health data

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- American Medical Informatics Association—data standards
- Medical Group Management Association—performance improvements and need for consistent data standards
- National Library of Medicine—data mapping (e.g., Systematized Nomenclature of Medicine [SNOMED] and International Classification of Disease interface)
- Corporate Partner Industry Briefings—co-sponsored exchange sessions

Through these and similar outreach efforts, AHIMA makes available valuable guidance to those involved in adopting the electronic health record.

Another major initiative by AHIMA was the move toward open membership. In recognition of the important partnership with information technology specialists, clinicians, and others with a shared interest in health information, and to foster even greater teamwork, the AHIMA House of Delegates voted to eliminate associate membership, folding these members into the active membership category. An open, inclusive membership provides additional strength to the association in its efforts to support the electronic health record initiative.

Outreach to Clients and Patients

Consumers are an important partner in the effective use of the electronic health record. AHIMA has developed an initiative to raise public awareness of the personal health record. As part of this initiative, individual health information practitioners, using AHIMA-created presentations, interact at local and regional levels with consumer groups such as local chambers of commerce, health fair coordinators, and specialty support groups (e.g., cancer support groups).

An important adjunct to this outreach is advocacy: Clients and patients must continue to have trust in the process of revealing their personal information fully and truthfully during health care interactions. AHIMA continues to press for specific protective legislation with a nondiscrimination focus: protect the patient from any discriminatory action stemming from information patient care encounters.

Continual Adjustments to Information Systems

In summary, the electronic health record initiatives reflect the best in proactive involvement by managers in facing major change. As the transition from paper to electronic records continues, AHIMA has provided position papers, best practices guidelines, and training materials including document imaging to link paper documents to the electronic health records, along with retention guidelines for post-scanning management of data; "copy and paste" guidelines; making corrections,

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amendments, and deletions to ensure record integrity; and e-discovery rules under federal rules of civil procedures.

Economic and Market Forces: Anticipatory Readiness through Organizational Restructuring

Chapter 1 presented an example of organizational survival—namely, a continuing care community responding to economic and market forces. Continuing with this example, we can study the process of preparing the organization to survive and thrive in a new era. As described in the previous chapter, during a time of hibernation, the management team restructured the organization. They also anticipated probable changes in state law, including those leading to a decrease in skilled care beds through a buy-back provision. Decreased reimbursement for this level of care gave the organization an additional reason to convert some units to increase the size of its dementia care service. Assisted living care was discontinued. The assisted living building was converted to additional personal care and respite care, plus an adult day care center. Comprehensive home care services, using a contractual provider, rounded out the reconfigured services. Through all of these efforts, the organization emerged from hibernation as the leading provider in its geographic region.

Disruption in Personal Circumstances: Revitalization through Career Development

The individual is certainly not immune to the pressure of change. Consider the situation of a health information professional whose family circumstances required increased income over the next several years. This credentialed practitioner had been working part-time as a coding specialist in a community hospital. There were no anticipated resignations in the department management team, and internal advancement was unlikely. Furthermore, the health information professional needed to remain in the region for family reasons. Recognizing the constraints in her situation, she made and implemented a plan for advancement. First, she utilized the AHIMA career development and self-assessment program to identify competencies needing upgrading. While continuing to work, she undertook master's degree studies and participated in several projects. Through her involvement in local civic activity, an opportunity developed for her to work in first local, then regional, correctional facilities. She worked first as a part-time consultant, then as the full-time director of the health information department. Both her personal and professional goals were met.

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Using the foregoing examples as background, let us now consider the theoretical aspects of organizational change.

CHANGE AND RESISTANCE TO CHANGE

Change is inevitable, but change can also be chaotic and painful. Alfred North Whitehead once said, "The art of progress is to preserve order amid change and to preserve change amid order." That statement captures the essence of change and its effects on all of life. Much change is beneficial, even necessary, but change is often upsetting and unsettling and thus must be controlled. For good or ill, change is inevitable. So, too, is resistance to change inevitable.

This section addresses the inevitability of change, including how, as individuals, we tend to deal with change and how, as managers, we can deal with employee resistance to change. In discussing this topic it is necessary to look at individual attitudes toward change, those of both managers and employees alike, because resistance is a human reaction that can arise in anyone regardless of organizational position. We must also consider how we meet change when it is upon us and how we make change work when we must.

Significant change—change that has the power to confuse, frustrate, and very nearly overwhelm—is a frequent modern concern. Broad-scale change has been a phenomenon affecting only the recent few generations, and for the most part we remain unable to shake off centuries of programming that causes us to dig in our heels and resist when change that we neither want nor welcome threatens to pull us forward.

The Collision of Constancy and Change

Humans have been thoroughly conditioned by many centuries of little or no change to expect constancy. Up until a few decades ago, an individual could adopt a career and with few exceptions expect to remain in that career for a lifetime. The effects of the knowledge explosion and the Industrial Revolution that preceded it, however, included changes that rendered some occupations obsolete or changed them dramatically. Occupations that had existed for several generations all but vanished as machines took over work that had long been done by hand. Entire industries disappeared—for example, whaling, once an economic mainstay of the northeastern United States, shriveled and died as petroleum products replaced whale oil. Many individuals have seen their jobs and careers disappear as a consequence of change that continues to accelerate to this day.

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Those working in the delivery of health care have seen and are seeing new medical technologies arise to either replace or augment existing technologies, in some instances making it necessary for workers to learn new skills or seek new occupations. Some individuals still working in diagnostic imaging were first employed when imaging was entirely X-ray; these people have seen the addition of the computerized axial tomography (CAT) scan, magnetic resonance imaging (MRI), positron emission tomography (PET) scan, and other technologies. One technologist who had been employed in a hospital laboratory for 30 years observed that more than 80 percent of the tests she performed on a routine basis did not exist when she first entered the field. A professional in another field, comparing the changes in college course curricula for his field over a period of 30 years, observed that he would have to take one or two new courses each semester for the rest of his life to remain completely current with the pace of change in his field. And on a simpler level, for the conduct of routine business functions, whether in health care or elsewhere, where have all the typewriters (and typewriter makers) gone?

People have been conditioned by centuries of little change to expect constancy or near-constancy. That, plus our natural tendency to seek equilibrium with our surroundings, conditions many of us to be automatic resisters of change. We are continually attempting to preserve our equilibrium with our environment, and whenever it is disturbed we tend to take steps to reestablish that equilibrium—to return to our "comfort zone." Certainly not all people behave in the same manner, but it is likely that most people seek equilibrium with their surroundings and tend to equate security with constancy. Indeed, security was once likely to be found in adopting an occupation and doing it well for life or in remaining a loyal employee of one organization for life. No longer, however, is there security in constancy; rather, today's security, to the extent that it may exist, lies in flexibility and adaptability.

The Roots of Resistance

The principal cause of most resistance to change is the disturbance of the aforementioned equilibrium. Resistance will, of course, be influenced considerably by one's knowledge of where a given change is coming from. It is unlikely that you will resist a change with which you wholeheartedly agree or one that is your own idea to begin with. The individual does not resist such a change because it is welcome and, therefore, does not threaten one's equilibrium. Thus it is not change itself that individuals resist, but rather *being changed*—being made to change by forces or circumstances outside of themselves.

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A secondary major cause of resistance lies in our inability to mentally conceive of certain possibilities or think beyond the boundaries of what we presently know or believe. The limitations imposed by what people know and what they believe can provide significant barriers to creativity and progress. Ideas that are today deemed revolutionary were not originally welcomed with open minds. Many people we have come to think of as innovators and visionaries were, in their day, regarded as dreamers, charlatans, or crackpots: Barely two months before the Wright brothers flew, a noted scientist publicly explained why a heavier-than-air flying machine could never work. A device called a "telephone" was branded a fraud, with an "expert" proclaiming that even if it were possible to transmit human voice over wires, the device would have no practical value. When television was new, the head of a major Hollywood studio proclaimed that people would soon get tired of staring at a plywood box every night. Even in the field of medicine, change is often thought impossible: In 1837, leading British surgeon Sir John Erichson stated that the abdomen, the chest, and the brain would "forever be shut from the intrusion of the wise and humane surgeon." Note as well that many people alive today once thought that surgery on a living heart would never be possible.

To a considerable extent, then, the roots of resistance to change are within human beings themselves.

Primary Causes of Resistance

Concerning change that occurs in the workplace, we tend to be thrown off balance by changes that are thrust upon us and especially by the way in which many of these changes are introduced. Common sources of change in the work organization occur in many areas:

- Organizational structure, when departments are altered or interdepartmental relationships or management reporting relationships are changed, including the changes that result from merger, affiliation, or system formation
- Management, whether in a department, a division, or an entire organization
- Product or service lines, as services are added, dropped, or altered significantly
- Introduction of new technology, bringing with it new equipment that employees must learn to use
- Job restructuring, altering the duties of particular jobs, such as combining jobs that were formerly separate
- Methods and procedures, requiring workers to learn new ways of doing their jobs
- The organization's policies, especially personnel policies affecting terms and conditions of employment

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Consider how much—or perhaps how little—control the average rank-and-file employee or the typical department manager can exert over the foregoing changes. In most instances the individual is essentially powerless. Managers and some employees might perhaps have a voice in restructuring jobs and altering methods and procedures, and perhaps they might be involved in selecting or recommending new equipment, but chances are they have little or no voice in the decisions necessitating such changes. It is doubtful that many employees or managers below the level of executive management have any influence on changes in products or services. And concerning the remainder of the major sources of change listed previously—these significant sources of stress and resistance for managers and employees alike—rank-and-file employees and their department managers are powerless.

Organizational Changes

Depending on the extent of reorganization, structural changes within a health care organization, such as combining departments or groups or realigning departments under different executives, can engender ill feelings and generate considerable resistance. Most department managers and their employees are well aware that reorganizing under any name—reengineering, downsizing, whatever—often means that some people will lose their jobs, so fear and insecurity and thus resistance increase while productivity inevitably decreases. Even more likely to upset employees are the changes accompanying merger or other form of affiliation, acquisition by a larger organization, or health system formation.

Management Changes

Changes in management are among the most potentially upsetting changes employees can experience. The stress of a management change, and thus the resistance to it, is concentrated within the hierarchy beneath the management position that is turning over; therefore, a change in department manager will affect primarily that department, whereas a change in chief executive officer will affect the entire organization. A change in management almost always involves exchanging a known quantity for a complete or partial unknown, and it is fear and apprehension concerning the unknown that causes most initial resistance to management changes.

Policy Changes

Major changes in the policies of the organization, especially personnel policies affecting terms and conditions of employment, are likely to spark a certain amount of employee resistance, especially if employees perceive they are losing

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something. In these recent years of fiscal belt-tightening, it is not uncommon to see, for example, employers in health care and elsewhere shifting an increasing portion of ever-growing health insurance costs to employees, or reducing the corporate contribution to defined-contribution retirement plans or other investment plans, or reducing the sick-time benefit and combining the remainder with vacation and personal time in "paid time off" (PTO) plans. Such policy changes have inspired so much resistance that for some employers they have become major issues in union organizing campaigns and labor contract negotiations.

Many Causes

Resistance can arise from anywhere, resulting from almost any change within an organization, often coming from situations we might never have thought would raise objections from anyone. These recent years of turmoil in health care, with all of the fallout of "merger mania" and all of the cost-reducing and cost-saving pressures brought to bear on the country's health care delivery system, finds the health care worker—and the health care manager as well—working in an environment of intensifying change and an eroding sense of security.

Meeting Change Head-On

The health care department manager is in a uniquely difficult position relative to change impacting the health care organization. As an employee, the manager is just as affected by change as the rank-and-file employees and is just as likely to feel helpless and demoralized and resistant. Yet it is up to the manager to try to minimize the negative reactions of the work group and attempt to raise the employees' morale and ensure their continued productivity. If the manager openly projects doom, gloom, and resistance, the staff will be all the more likely to become more deeply mired in doom, gloom, and resistance themselves, ensuring that morale and productivity both suffer. It can be a most difficult role for the manager to function as "cheerleader" when there seems to be nothing to cheer about. Yet the manager must make a conscious effort to rise above the doom, gloom, and resistance. Succeeding at doing so is largely a matter of attitude, including the willingness to take a moderate amount of risk.

Flexibility and Adaptability

As noted earlier, we can no longer find security in constancy, maintaining loyalty to the same ideas, concepts, and institutions for life. Rather, security, to whatever

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extent it exists today, is more likely found in flexibility and adaptability. The manager who remains rooted in place, with a fixed set of ideas and an unchanging concept of the job, will not be particularly successful; however, the manager who can move about, who can flex and adapt as circumstances change, stands a much greater chance of success. Also, to enhance the department's chances of success in adjusting to changing circumstances, the manager must be a role model for flexibility and adaptability.

A department manager may be able to help some of the employees increase their flexibility by instituting cross-training wherever possible. For cross-training to apply, it is necessary that there be a number of employees distributed across multiple jobs of approximately the same skill or grade level; thus cross-training is not possible in every department. When it is possible, however, there are benefits for employee, department, and organization alike. With people trained in multiple activities, coverage for vacations and other absences is more readily accomplished, employees get the advantages of task variety, and employees may become more secure during times of readjustment by being capable of moving into certain other jobs already trained and competent.

A Matter of Control

The department manager who becomes caught up in a sea of change should immediately learn the difference between what can be controlled and what cannot be controlled. Much energy is wasted in trying to control that which is uncontrollable. For example, you may be greatly stressed about an impending merger and subsequent combination of departments, but there is nothing you can do about it; it will happen whether you wish it or not.

Stress as a response to change, both real and impending, is an emotional reaction. An important early step in gaining a measure of control over your circumstances is learning to control your emotions. You may have little or no control over the changes themselves; however, you have complete control over how you respond to the changes.

Fortunately, there are usually a few factors that the individual department manager can control to some extent. Reorganizing or reengineering frequently results in the need to combine positions and restructure a number of jobs—that is, change job descriptions, assignments, crew or team sizes, equipment, or later services. These actions usually entail changes in methods and procedures, changes that can be determined in detail within the department by the manager, often with the participation of the employees.

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Addressing Resistance with Employees

A manager responsible for implementing change has three available avenues along which to approach employees regarding a specific change. The manager can (1) simply tell them what to do, (2) convince them of the necessity for doing it, or (3) involve them in planning for the change.

Tell Them

The use of specific orders or commands is one of the hallmarks of the autocratic or authoritarian leader. The boss is the boss, a giver of orders who either makes a decision and orders its implementation or relays without expansion or clarification the mandate from above.

The authoritarian approach is sometimes necessary; occasionally it is the only option available under urgent or completely unanticipated circumstances. However, in most situations the tell-them approach is the approach most likely to generate resistance, so it should be used in only those rare instances when it is the only means available.

Convince Them

In most instances, including those in which the change in question is a hard edict from top management, the individual manager has room for explanation and persuasion. At the very least, there is the opportunity to try making each employee aware of the reasons for the change and the necessity for its implementation. It may be necessary for the manager to champion the cause of something clearly distasteful to all concerned (except, for example, to those mandating compliance) because it may be good for the institution overall or good for patients, or even perhaps because it is mandated by new government regulations. The employees may not like what they are called upon to do, but they are more likely to respond as needed if they know and understand why the change must be implemented.

The employees deserve all the information available, and this information often serves the manager well because it can remove the shadow of the unknown from the employees and thus lessen their resistance. Few, if any, changes cannot be approached by this means. The authoritarian tell-them approach should be reserved as a last resort to be used on those occasions when employees clearly cannot be "sold" on the change.

Involve Them

Whenever possible, and especially if it affects the way they do their assigned jobs, employees should become involved in shaping the details of any particular change.

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It has been repeatedly demonstrated that employees are far more likely to understand and comply when they have a voice in determining the form and substance of the change. For example, if new equipment is under consideration and there is sufficient lead time, it is helpful to obtain the input of the people who will have to work with the equipment once it is in place. This sort of involvement not only enhances employee cooperation, but often leads to a better decision because of the perspective of the people doing the hands-on work. When expansion or remodeling will change the characteristics of the department, employee input in the planning stages will bring the workers' perspective into determining optimal layout and work flow. Through involvement, change can become a positive force. Employees will be more likely to comply because they own part of the change; in effect, a piece of it is their idea.

There is another potential benefit to involvement as well: The employees know the details of the work in ways the manager may never know. The manager supervises a number of tasks, some of which he or she may have once done personally. However, employees regularly perform in hands-on fashion the tasks the manager only oversees. Thus the employees usually know the details of the work far better than the manager and are in a better position to provide the basis for positive change in task performance.

The numerous sources of management advice that promote the value of employee involvement are right: The participative and consultative approaches to management are the best ways of getting things done through employees. The most effective ways of reducing or removing the fear of the unknown make full use of communication and involvement.

Guidelines for Effective Management of Change

To secure employee cooperation and participation and successfully manage change in the workplace, it is necessary for the manager to take the following steps:

- *Plan thoroughly*. Fully evaluate the potential change and examine all implications of its potential impact on the department and the total organization.
- *Communicate fully*. Completely communicate the change, starting early, ensuring that the employees are not taken by surprise. This should ideally be two-way communication, preparing the way for employees' involvement by soliciting their comments or suggestions.
- *Convince employees*. As necessary, take steps to sell employees on the value and benefits of the proposed change. When possible, appeal to employees'

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self-interest, letting them know how they stand to benefit from the change and how it might make their work easier.

- *Involve employees when possible.* It is not possible to completely involve employees in all matters, but involvement is nevertheless possible on many occasions. Be especially aware of the value of employees as a source of job knowledge, and tap this source not only for the acceptance of change but also for the development of improvements.
- *Monitor implementation.* As with the implementation of any decision, monitor the implementation of any change until the new way is established as part of the accepted work pattern. A new work method, dependent for its success on willing adoption by individual employees, can be introduced in a burst of enthusiasm, only to die of its own weight as the novelty wears off and old habits return. New habits are not easily formed, and the employees need all the help the manager can furnish through conscientious follow-up.

True Resistance

Resistance to change will never be completely eliminated. People possess differing degrees of flexibility and exhibit varying degrees of acceptance of ideas that are not purely their own. However, involvement helps, and the manager will eventually discover, if not already having done so, that most employees are willing to cooperate and genuinely want to contribute. Beyond involvement, however, continuing communication is the key. Full knowledge and understanding of what is happening and why it is happening are the strongest forces the manager can bring to bear on the problems of resistance to change. Ultimately one will discover that it is not change that people resist so much as they resist *being changed*.

In addition to applying the foregoing strategies, managers facilitate their response to change by:

1. Recommitting to the full spectrum of their role through a review of the enduring functions of the manager
2. Remaining attentive to:
   - Developments in the history of management and the ways in which managers adjusted their focus from time to time
   - Shifts in organizational life from informal to formal, stable organizational patterns
   - Opportunities for building a strong network of internal and external relationships

Chapter 3 offers a fuller exploration of these concepts and strategies.

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ONE MORE CHALLENGE: THE PATIENT PROTECTION AND AFFORDABLE CARE ACT OF 2010

The major legislation known as the Patient Protection and Affordable Care Act of 2010 promises to affect the health care system at all levels. Middle managers will need to utilize all of the strategies described in this chapter to deal with the massive changes associated with this legislation focusing on the provision of affordable care and health care reform. They need to take into account the political aspects of the legislation's passage, which are likely to lead to further amendments, deletions, and changes in its implementation time frame. The federal mandates, in turn, will generate companion state-level legislation. More than 100 regulatory agencies, boards, and councils are empowered to issue guidelines and mandatory regulations. The designated time frame for the implementation of the federal law is from 2010 to 2018. Thus we face an almost decade-long period of sustained change.

The middle manager who has a positive attitude will more easily respond to these challenges than one who is resistant. Flexibility, creativity, attentiveness to the unfolding mandates—these traits will serve the manager well. A commitment to factual analysis will lead the manager to develop a system for monitoring the details of the new law. For guidance, the manager should turn to trusted sources, such as professional associations—especially these organizations' legislative divisions, which monitor primary documents such as federal and state regulation publications. The manager might partner with several peers in the work setting to study the unfolding mandates and share insight about their impact.

Following is a suggested template for use in tracking these changes. A few examples are included under the headings as a starter.

Impact on the Organizational Setting

- Increase in community health centers
- Development of independence-at-home programs
- Creation of community-based transition programs for Medicare patients at high risk for readmission to acute care
- Phasing out of physician-owned specialty hospitals

Patterns of Care

- Implementation of wellness programs and preventive care (e.g., smoking cessation counseling)
- Wellness care incentives
- Increased emphasis on coordination of care for all stages of care

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- Creation of medical homes or health homes programs (i.e., a decentralized coordinator of care) for chronic illness care (Note: The term "homes" is not used to denote a place to live; in this context, it means the primary caregiver who coordinates various aspects of care including referrals to specialists.)

Practitioners

- Increased funding for training
- Increased utilization of physician assistants and nurse practitioners
- Increased roles for pharmacists in direct counseling of patients concerning medication management

Clients

- Increased numbers as individuals come under new health insurance coverage
- Surge in demand for specific services as coverage for these services unfolds (e.g., free annual physical exam)
- Increased need for client education about the details of coverage and the time frames associated with various benefits (e.g., preexisting conditions coverage starts in 2010 for children, but does not begin for adults until 2014)
- Increased need to capture eligibility data (e.g., income levels, prescription medication expenses for the benefit period, Medicare or Medicaid coverage)
- Increased sensitivity to patients' concerns about their coverage and their continued access to care

Employees

- Need for timely information about changes in health insurance coverage, copayments, and deductibles
- Need for annual information (on W-2 forms) about the dollar value of the health insurance fringe benefit
- Concern for job security when the organizational setting changes
- Questions about job rotation (e.g., if mergers occur or if community-based programs are developed, will the employee be obliged to rotate among various geographic locations?)
- Need for more frequent continuing education (e.g., intake processing and health insurance questions)

Specific Systems Impact

- Budget adjustments to include resources for more frequent continuing education
- Increase in fraud detection processes

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- Increase in monitoring and reporting of elder abuse
- Increase in patient-centered outcomes standards research and studies
- Increase in monitoring of discharge planning, coordination of care, readmission rates, and supportive rationale

CASE: IN NEED OF IMPROVEMENT?

You are an administrative staff specialist newly employed by the hospital to act as a management engineer and address a number of issues relating to operating efficiency. Your first assignment is to analyze work methods and staffing in the central sterile supply division of materials management. The department was singled out for study for the following reasons:

- The manager—a registered nurse who has held the job for more than 25 years—has requested two more processing aides, although her staff is already one person larger than that of another area hospital of equivalent size.
- There has been a recent, seemingly unexplainable, upturn in the consumption of disposables.
- A number of storage shelves appear to be stocked to overflowing with infrequently used items.
- The department issues frequent rush orders to obtain needed items that have completely run out.
- Observed conditions in the department include an overcrowded storage area, a seemingly inadequate decontamination area, and a grossly oversized processing area referred to by most employees as "the ballroom."

On your initial visit to the department, the first thing the manager says to you is, "So you're the one who's going to tell us what we're doing wrong?" Her tone is none too friendly.

Instructions

Develop a proposed approach to a complete study of the department, including the "sales pitch" you would use to try to win the manager's cooperation and support, specifying what should be done, why it should be done, and how you propose to address the inevitable resistance of both manager and staff.